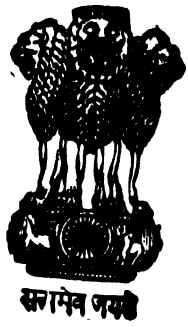

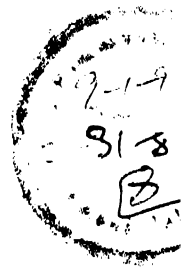

PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

VOLUME VII, 1951

(2nd April to 16th May, 1951)

ThirdS ession (Second Part)

of the

PARLIAMENT OF INDIA

1951

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THE

PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

PARLIAMENT OF INDIA

Monday, 7th May, 1951

The House met at Half-past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

TERMINATION OF STATE OF WAR WITH GERMANY

*3879. **Shri Sidhva:** (a) Will the **Prime Minister** be pleased to state whether the Government of India have terminated the State of War with Germany with effect from January, 1951?

(b) Have other Powers done similarly?

The Deputy Minister of External Affairs (Dr. Keskar): (a) Yes, Sir.

(b) So far as the Government of India is aware, the only other country that has formally done so is Brazil. The Netherlands, Switzerland, Sweden, Italy, Portugal, Luxemburg and the Vatican have established diplomatic missions in Western Germany and have presumably terminated the state of war.

Shri Sidhva: May I know the words 'after the termination of war' mean that we have established full rights with Germany?

Dr. Keskar: I am not able to understand the question.

Mr. Speaker: Have we resumed ordinary relations with that country?

Dr. Keskar: That is the meaning of the termination of a state of war.

Prof. S. N. Mishra: Why after the cessation of actual hostilities so much time was taken to terminate the state of war with Germany?

Dr. Keskar: Upto that time, Western Germany with whom we have now diplomatic relations, was occupied by the Allied Powers; and until they permitted Germany, it was not possible to have diplomatic relations with them. It is only after the Allies relaxed their control over Germany and permitted it that we could establish diplomatic relations. I might inform my hon. friend that we were amongst the first countries to establish diplomatic relations.

Shri Sidhva: May I know whether before January 1951 we had already established commercial and trade relationship with Germany and if so, why this date has been put as January 1951?

Dr. Keskar: We have established diplomatic relations from the 1st of January. Even before that there was no embargo over commercial and trade relations.

Mr. Speaker: I think we will go to the next question.

PAKISTAN FLAG INSIDE INDIAN TERRITORY

*3880. **Shri Kamath:** Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that the Pakistan flag is inside Indian territory on the Ferozepore-Lahore road at the Indo-Pakistan border at that point; and

(b) if so, the reasons therefor?

The Deputy Minister of External Affairs (Dr. Keskar): Detailed information has been called for from the Punjab Government. It will be laid on the Table of the House as soon as it becomes available.

Shri Kamath: When exactly was this information called for, and why has there been such a delay in securing information?

Dr. Keskar: The question is of preparing a detailed plan of the place about which the question has

been put and we have asked the Punjab Government to verify and tell us if it is a fact that the Pakistan flag is inside the Indian territory as stated by my hon. friend and probably they have taken a little time. It is not possible to explain why that much time has been taken.

Shri Kamath: When was the Punjab Government written to about this matter—on what date? It was a very simple matter after all.

Dr. Keskar: The whole question of the boundary between India and Pakistan in certain parts is a fluid one. There is a boundary which has been geographically and theoretically accepted but which we have not been able to demarcate to our satisfaction or their satisfaction and at certain points there has been an amount of confusion, and it is for this reason that we have referred this matter to the Punjab Government to give us the exact facts of the case.

Shri Kamath: Is the hon. Minister in a position to state whether the Pakistan flag is at least not on the other side of the demarcation boundary?

Dr. Keskar: As I said we will have to wait to get the exact facts. My hon. friend will realize that unless I know the exact facts, it is not right that I should reply to him either in the affirmative or negative.

Shri Kamath: I have seen the flag myself, Sir.

Mr. Speaker: Next question.

OUTPUT FROM SINGARENI COLLIERIES

*3881. **Shri A. H. S. Ali:** (a) Will the Minister of **Works, Production and Supply** be pleased to state what was the output of coal from Kuttagudiam Coal Mines (generally known as Singareni collieries) in Hyderabad in the years 1945, 1946, 1947, 1948, 1949 and 1950?

(b) If it has decreased in the last two years, what are the reasons for such decrease?

(c) What percentage of the entire output is supplied to the Nizam State Railways and what percentage to other Railways?

The Minister of Works, Production and Supply (Shri Gadgil): (a) The output from Singareni Collieries during the period 1945-50 was as follows:

1945	...	967,103 tons.
1946	...	1,015,105 ,,
1947	...	1,156,873 ,,
1948	...	1,054,033 tons.
1949	...	1,095,223 ,,
1950	...	1,205,213 ,,

(b) There was no decrease in output.

(c) The percentage of supplies during 1950 was as follows:

Nizam State Rly.	...	17·7	per cent.
M. S. M.	,, ..	14·4	,,
Mysore State	,, ..	7·9	,,
Barsi Light	,, ..	1·5	,,
G. I. P.	,, ..	·6	,,
S. I.	,, ..	·4	,,
		42·5	,,

Shri A. H. S. Ali: May I know if all the boilers are in working order?

Shri Gadgil: I require notice for that question.

Pandit Munishwar Datt Upadhyay: What is the quality of coal that is consumed by Railway engines mostly?

Shri Gadgil: Whatever is suitable and available to us.

Mr. Speaker: Next question, Mr. Guha.

TRADE BETWEEN INDIA AND PAKISTAN

*3882. **Shri A. C. Guha:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) how the trade between India and Pakistan will be conducted as regards commodities and articles not mentioned in the Schedules; and

(b) whether Government have received any representation from the Bengal National Chamber of Commerce about certain manufactured goods not mentioned in the Schedules?

The Minister of Commerce and Industry (Shri Mahtab): (a) Trade between India and Pakistan in respect of commodities not mentioned in the Schedules to the Agreement will be conducted in accordance with the provisions of Article VI of the Agreement. A copy of the Press Note issued on the 2nd March, 1951, explaining the procedure for trade in these commodities is laid on the Table of the House. [*See* Appendix XXIV, annexure No. 19.]

(b) Yes.

Shri A. C. Guha: May I know what are the articles that have been mentioned in the representation which the Bengal National Chamber of Commerce sent to Government?

Shri Mahtab: There are a number of articles such as soaps, toilets, perfumeries, hosieries, glassware, enamel, pencils, electric lights, vanaspati, rubber goods, except tyres and tubes, lime and many others.

Shri A. C. Guha: Have Government come to any decision as to how these articles are to be sent to East Bengal and whether free trade as before may be resumed?

Shri Mahtab: It is not possible to allow free trade in the sense used by my hon. friend and if the hon. Member carefully goes through the Press Note, he will find that there is practically no obstruction in trade.

Shri A. C. Guha: Is it not true that previously these articles manufactured in West Bengal were to a great quantity consumed in East Bengal and now with the closure of the East Bengal market, difficulty is being experienced by the West Bengal manufacturers?

Shri Mahtab: The market is not closed. Those who want to export the articles will get a licence and export them and for those articles that are to be imported from Pakistan those who want to do so will get a licence from here and import them.

Prof. S. L. Saksena: Is the hon. Minister aware that about 200 boats laden with molasses products are still waiting at Tallygang and have not been taken over by East Pakistan in spite of clause 6? Will Government tell us whether they would make some arrangement to get these boats into East Pakistan?

Shri Mahtab: If the hon. Member will send the information in writing to me, I will take necessary steps.

Shri A. C. Guha: In the statement that has been laid on the Table of the House, it is said that the terms will be no less favourable than those applied to any other country in the sterling and soft currency area. Are we to understand that there may be discriminatory tariff on both sides for the Dollar regions?

Shri Mahtab: We have made some distinctions between countries of dollar areas and countries in the sterling and soft currency areas. Here the rules which are applicable to soft currency areas will be applicable to Pakistan. That is the substance.

Shri A. C. Guha: If under the agreement it is eligible for one country to allow any discrimination or favourable terms to dollar area countries, which will not be applicable to Pakistan and India as the case may be?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): In calculating the balance of payments, any balance that remains either outstanding or due to a particular area is made available from the other areas. To illustrate, supposing our balance of trade with Pakistan is favourable, then that favourable balance is available to us from any of the other sterling countries and if the balance is adverse, then the adverse balance could be made up from what is due from us to any of the sterling countries. That is the idea of making Pakistan stand on the same footing as the other sterling areas.

For purposes of foreign trade, the whole of the sterling trade balances are pooled together.

Shri A. C. Guha: Arising out of the reply given by the hon. Minister, may we expect that, as there was an unfavourable balance for India after the last Trade Agreement, in case there is an unfavourable balance this time also, those manufactured articles of West Bengal may be given facilities for import to make up that unfavourable balance?

Shri Mahtab: I think it will be helpful to the hon. Member if I just mention to him that article 6 provides that,—"Notwithstanding anything contained in Articles I and II the two Governments agree that export and import facilities granted by each country to the other shall be no less favourable than those applied to any other country in sterling and soft currency area, current and future import and export licences in respect of sterling and soft currency area countries shall be valid for India and Pakistan as the case may be."

In accordance with this provision, we have extended O.G.L. Nos. XVI and XXI which were previously valid for import from sterling and soft currency countries but excluding Pakistan and Union of South Africa, to Pakistan as well. Similar instructions have also been issued regarding exports. The Government of Pakistan also have taken similar action on their side. From this, the hon. Member will understand that a number of commodities have already been placed on the O.G.L. from this side and from the other side.

Mr. Speaker: Next question.

प्रव्रजन की सुविधायें

*३८८३. श्री जांगड़े : क्या प्रधान मंत्री यह बतलाने की कृपा करेंगे कि :

(ए) अभी तक पाकिस्तान में रहने वाले कितने हिन्दुओं ने भारत में प्रव्रजन करने की प्रार्थना की है ;

(बी) भारत सरकार तथा पाकिस्तान सरकार ने इन हिन्दुओं के प्रव्रजन के निमित्त किन किन सुविधाओं की व्यवस्था की है ; तथा

(सी) ऐसे हिन्दुओं की संख्या जो भारत में प्रव्रजन करना नहीं चाहते हैं ?

FACILITIES FOR MIGRATION

[*3883. **Shri Jangde:** Will the **Prime Minister** be pleased to state:

(a) how many of those Hindus still living in Pakistan have made request to migrate to India;

(b) the facilities provided by the Governments of India and Pakistan to these Hindus for their migration; and

(c) the number of such Hindus who do not want to migrate to India?]

The Deputy Minister of External Affairs (Dr. Keskar): (a) and (b). It is not possible to estimate the number of those who want to migrate to India but as far as East Pakistan is concerned, under the Prime Ministers' Agreement of April 1950, migrants from East Bengal are guaranteed freedom of movement and protection in transit. They are also free to remove as much of moveable personal effects and household goods as they may wish to carry, including personal jewellery and cash. Every effort is made to help them when they come to India.

The normal outflow of Hindu migrants from Sind is about 200 a month. No facilities for their migration are provided by the Government of Pakistan. The Indian High Commissioner at Karachi, in co-operation with the local Hindus, maintains a transit camp and, in deserving cases, free passages are provided to Bombay.

As regards the other provinces of West Pakistan, information is being collected and will be laid on the Table of the House as soon as it becomes available.

(c) It is not possible to collect the figures as they live in a foreign territory.

श्री जांगड़े : क्या माननीय मंत्री महोदय बतलायेंगे कि पश्चिमी पाकिस्तान में अभी भी कितने हिन्दू बसे हुए हैं ?

[**Shri Jangde:** Will the hon. Minister please state the number of such Hindus as are still living in West Pakistan?]

डा० केसकर : यह कहना बहुत मुश्किल है कि पश्चिमी पाकिस्तान में कितने हिन्दू है। अन्दाज़ा यह किया जाता है कि सिन्ध में करीब डेढ़ लाख हिन्दू अब भी हैं। पश्चिमी पंजाब में शायद इस से भी कम या लगभग इतने ही होंगे।

[**Dr. Keskar:** It is very difficult to say as to how many Hindus are still there in West Pakistan. It is, however, estimated that about one and a half lac of Hindus are still living in Sind. As regards West Punjab, the number may be even lesser or near about it.]

श्री जांगड़े : क्या माननीय मंत्री महोदय बतलायेंगे कि क्या यह सत्य है कि पश्चिमी पाकिस्तान से हरिजन भारत में इसलिए नहीं आना चाहते क्योंकि वह अपने पशु धन आदि से अलहदा नहीं होना चाहते।

[**Shri Jangde:** Will the hon. Minister please state whether it is a fact that Harijans do not wish to migrate to India from West Pakistan for the reason that they do not want to part with their cattle wealth etc.]

डा० केसकर : हां यह भी एक वजह है जिससे कि पश्चिमी पाकिस्तान से, खास तौर से सिन्ध से, बहुत से हरिजन भाई जो वापस आना चाहते हैं नहीं आ पा रहे हैं।

[**Dr. Keskar:** Yes Sir, this is also one of the reasons why many Harijans who want to migrate to India from West Pakistan, especially from Sind, are not finding themselves in a position to do so.]

श्री जांगड़े: क्या माननीय मंत्री महोदय बतलायेंगे कि क्या यह सत्य नहीं है कि पश्चिमी पाकिस्तान से हरिजनों को इस लिए भारत आने की अनुमति नहीं दी जाती है कि पाकिस्तान कहता है कि हरिजन हिन्दू नहीं हैं।

[**Shri Jangde**: Will the hon. Minister please state whether it is not a fact that Harijans are not permitted to migrate to India from West Pakistan because Pakistan does not consider them to be Hindus?]

डा० केसकर: जैसाकि मैं ने पहले भी एक सवाल के जवाब में कहा था, पाकिस्तान गवर्नमेंट का कोई नोटीफिकेशन ऐसा नहीं है कि हरिजन हिन्दू नहीं हैं, लेकिन यह बात सच है कि पश्चिमी पंजाब की सरकार ने यह एक अलिखित आर्डर सा दे रखा है कि शिड्यूल्ड कास्ट हिन्दू नहीं हैं, इसलिए हिन्दुस्तान आने के लिए जो सहूलियतें और लोगों को दी जाती हैं वह उनको न दी जायं।

[**Dr. Keskar**: As I had stated sometime back in reply to a question, there is no notification of the Pakistan Government to the effect that Harijans are not Hindus; but it is a fact that the Government of West Punjab have issued a sort of unwritten order to the effect that the members of the Scheduled Castes are not Hindus and the facilities that are provided to others for their migration to India may, therefore, not be extended to Harijans.]

श्री जांगड़े: क्या माननीय मंत्री महोदय बतलायेंगे कि यदि पाकिस्तान सरकार कहती है कि हरिजन हिन्दू नहीं हैं तो उन्हें किस वर्ग में शामिल किया जाता है, क्या उन्हें मुसलमान गिना जाता है या अन्य किसी अल्पसंख्यक जाति में गिना जाता है।

[**Shri Jangde**: Will the hon. Minister please state that in view of the fact that the Pakistan Government do not recognise the Harijans as Hindus, may I ask in what category are they included? Are they considered to be Muslims or the members of some other minority community?]

Mr. Speaker: Order, order. It is for the Pakistan Government. We will go to the next question.

KEY-BOARD OF DEVNAGRI TYPEWRITER

*3884. **Shri M. P. Mishra**: Will the Minister of Commerce and Industry be pleased to state:

(a) whether the Government of India have accepted any design of standard key-board of Devnagri for teleprinter and typewriter for all India use; and

(b) if so, whether any such key-board has been actually manufactured?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) No, Sir.

(b) Yes, for experimental purposes.

Shri M. P. Mishra: May I know if the Government have seen the recommendations made by the Committee which was appointed by the Government of the U.P. for this purpose?

Shri Karmarkar: At the moment I have no information about the U.P. experiment.

Shri M. P. Mishra: Have the Government received any design from Mr. King of the Lino Type Corporation?

Shri Karmarkar: No, so far as I am aware of.

Prof. S. L. Saksena: How long will the Government take to experiment on this?

Shri Karmarkar: I think the Constituent Assembly had set up a Committee and I understand some action was taken in respect of its recommendations. Five typewriters, three portables, one with 42 keys, and two with 43 keys, and two standard typewriters with 45 keys and 46 keys, manufactured by two firms Godrej Boyce Manufacturing Co., and Bachhraj Trading Corporation, have since been received and are being tested by a Committee appointed by the hon. Speaker of the Parliament. The result of the test is awaited.

Mr. Speaker: I may inform hon. Members that the Committee has submitted its report. Further steps for its printing are being taken and necessary things will be done.

Shri Kamath: Further steps for printing the report?

Mr. Speaker: Yes.

ALL INDIA CONSTRUCTION WEEK

*3886. **Shri Sarangdhar Das:** Will the **Prime Minister** be pleased to state:

(a) whether Government have received any communication from the Joint Committee of the Socialist Party and the Hind Kisan Panchayat, seeking help from Government, in their programme for doing certain constructive works with manual labour during a construction week to be observed all over India from the 20th to the 27th May, 1951; and

(b) if the reply to part (a) above be in the affirmative, the nature of help sought by the Committee, and the extent of help extending by Government?

The Prime Minister (Shri Jawaharlal Nehru): (a) Yes.

(b) The organisers of the Week had requested Government's help and co-operation, in its organisation, by the issue of instructions to the Ministries concerned and to the State Governments for giving help and assistance to them in their work. We have requested the Ministries concerned and the State Governments to render such advice or assistance as may be feasible. This assistance, however, would not include any arrangements for publicity by Government, as it is not normal for Government to undertake publicity on behalf of political parties and non-governmental organisations.

Shri Sarangdhar Das: May I know whether it is in contemplation to have any of the representatives of this Committee to broadcast about this construction week?

Shri Jawaharlal Nehru: I have not heard anything about it.

Shri Sarangdhar Das: Will any acilities be given in that respect?

Shri Jawaharlal Nehru: I cannot say. No request has been made. It will be considered in accordance with the rules on the subject.

COMMITTEE TO REPORT ON MUNICIPAL BYE-LAWS

*3887. **Shri Deshbandhu Gupta:** Will the Minister of **Works, Production and Supply** be pleased to state:

(a) whether the report of the Committee appointed by Government to go into the question of Muninicpal Bye-laws of different Municipalities of Delhi has been received;

(b) if so, what are its main recommendations; and

(c) what action Government have taken on the same?

The Deputy Minister of Works, Production and Supply (Shri Buragohain): (a) Yes.

(b) The Committee has suggested draft model bye-laws to be adopted by the different Municipalities in Delhi which though generally based on the existing bye-laws of the New Delhi Municipal Committee embody changes that are necessary and possible because of the developments that have taken place since they were originally verified.

(c) The matter is under consideration. To expedite consideration of recommendations which are likely to result in lowering of building costs, a meeting is being called on 14th May 1951 to which representatives of the Ministries concerned and Municipalities are being invited.

Shri Deshbandhu Gupta: May I know whether according to the recommendations made by the Committee, it will be possible to have double storey buildings in the Babar Road colony about which the hon. Minister gave an assurance some time ago?

...**Shri Buragohain:** Yes, Sir; it will be possible.

Shri Deshbandhu Gupta: How long will the Government take to come to a final decision in the matter?

Shri Buragohain: Within perhaps a fortnight or so.

C.P.M.O. COMPANY (PROVIDENT FUND SCHEME)

*3889. **Shri Kannamwar:** Will the Minister of **Labour** be pleased to state whether it is a fact that the Central Provinces Manganese ore Company in Madhya Pradesh promised last year to start a labour welfare fund and if so, why is it not started as yet?

The Minister of Labour (Shri Jagjivan Ram): Yes, it is understood that the company has set apart £25,000 for the purpose. Welfare schemes have not yet been put into operation pending finalisation of the arrangements for administering them.

Shri Kannamwar: What schemes for the welfare of labour have been started by the company as he says that some amount has been spent?

Shri Jagjivan Ram: As I have said, the scheme has not yet been finalised and put into operation.

Shri Kamath: Have Government sent any instructions or advice to the company as to the manner in which this fund should be utilised for labour welfare?

Shri Jagjivan Ram: This fund was set apart as a result of an agreement between the company and their workmen at the intervention of the Chief Labour Commissioner, and this scheme will be worked out by a committee on which the workmen will be represented.

Shri Kamath: In what proportions will the workers, employers and Government be represented on this committee?

Shri Jagjivan Ram: That will really depend on the agreement between the employers and the workers; and there may be one or two officials of the Government associated with it. There is no hard and fast rule about it.

नकली खादी का विक्रय

*३८९३. **श्री जांगड़े :** (ए) वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे कि गत सत्र में शुद्ध खादी को नकली से बचाये रखने के सम्बन्ध में जो विधि पारित की गई थी उसके अन्तर्गत केन्द्रीय प्रशासित क्षेत्रों में नकली खादी बेचने के अभियोग में भारत सरकार द्वारा कितने स्थानों के विरुद्ध वैधिक कार्यवाही की गई है ?

(बी) क्या यह सत्य है कि दिल्ली में अब भी नकली खादी बेची जा रही है ?

SALE OF SPURIOUS *Khadi*

[*3893. **Shri Jangde:** (a) Will the Minister of **Commerce and Industry** be pleased to state the number of firms in the Centrally Administered Areas against whom legal action has been taken by the Government of India for the sale of spurious *khadi* under the law that was passed at the last session for the protection of genuine *khadi*?

(b) Is it a fact that in Delhi even now spurious *khadi* is being sold?]

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). The information is being collected and will be laid on the Table of the House in due course.

श्री जांगड़े : क्या माननीय वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे कि दिल्ली के अखिल भारतीय चर्खा संघ और ऐसी ही कितनी और संस्थाओं ने इसकी शिकायत की है कि भारत के केन्द्रीय प्रशासित क्षेत्रों में नकली खादी बेची जा रही है और ऐसी दुकानों की नामावलि क्या उनके पास पेश हुई थी ?

[**Shri Jangde:** Will the hon. Minister of Commerce and Industry please state whether the All-India Spinners Association of Delhi and several other institutions like this have complained that spurious *khadi* is being sold in the Centrally Administered Areas and whether any list of such shops was submitted to the Government?]

Shri Karmarkar: So far as I can say off-hand, we have received no such complaint.

कुटीर उद्योगों के लिए आश्रम

*३८९४. **श्री जांगड़े :** वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे कि भारत सरकार ने केन्द्रीय प्रशासित क्षेत्रों के किन किन स्थानों में गांधी आश्रम के ढंग पर कुटीर-उद्योगों के लिए आश्रम अथवा शालायें खोली हैं ?

(बी) क्या सरकार ने पंजाब सरकार द्वारा चलाये जा रहे आश्रमों के ढंग पर कुटीर उद्योग प्रशिक्षण शिविर अथवा आश्रम खोले हैं तथा क्या वह प्रशिक्षणार्थियों को छात्रवृत्त प्रदान कर रही है अथवा प्रदान करने का विचार कर रही है ?

Ashrams FOR COTTAGE INDUSTRIES

[*3894. **Shri Jangde:** (a) Will the Minister of **Commerce and Industry** be pleased to state in what places in the Centrally Administered Areas the Government of India have started *Ashrams* or homes for cottage industries on the model of the Gandhi Ashram.

(b) Have government started cottage industry training camps or *Ashrams* on the model of those run by the Punjab Government and are they

paying scholarships to the trainees or do they propose to do so?]

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). The information is being collected and will be laid on the Table of the House in due course.

श्री जांगड़े : क्या माननीय वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे कि क्या सरकार ने यह पता लगाया है कि पंजाब में शिवालिक तराई पर पंजाब सरकार द्वारा जो गांधी आश्रम व प्रशिक्षण शिविर खोले गये हैं, वहां वह क्या छात्रवृति और शिक्षण दिया जाता है और उसमें कौन कौन से विषय सिखाये जाते हैं ?

[**Shri Jangde:** Will the hon Minister of Commerce and Industry be pleased to state whether the Government know as to what amount of scholarships is given to the trainees and what are the various subjects in which training is imparted to them in the Gandhi Ashram and Training Camp which have been opened by the State Government in the Shiwalik Terai area in Punjab?]

Mr. Speaker: The hon. Member is going into details and to individual cases.

Shri Kesava Rao: Do the Central Government give any financial aid to these *Ashrams* where cottage industries are taught?

Shri Karmarkar: Apart from the *Ashrams*, the Government of India in the past have assisted financially institutions which are doing work in connection with cottage industries.

TEXTILE DEVELOPMENT COMMITTEE

***3895. Shri S. N. Das:** (a) Will the Minister of Commerce and Industry be pleased to state the important recommendations and suggestions made by the Textile Development Committee, and the Committee on Cotton Textile and Cotton Controls and accepted by Government?

(b) Have these committees co-opted any additional member after their constitution?

(c) If so, how many members have been co-opted by each committee?

(d) What is the total expenditure so far incurred by Government on account of these Committees?

The Minister of Commerce and Industry (Shri Mahtab): (a) to (d). A Statement is placed on the Table of the House. [*See* Appendix XXIV, annexure No. 20.]

Shri S. N. Das: From the Statement it appears that the Committee on Textiles and Cotton Control recommended that the Government should ask the Tariff Board to make a quick investigation of the comparative cost of production of plain fabrics and *dhoties* and *sarees* and the element of profit accruing to the Mills in manufacturing each of these sorts but the enquiry started is stated to have been dropped may I know the reasons why this enquiry was dropped?

Shri Mahtab: I think the hon. Member is referring to item No. (ix) against which it has been put down—"At the request of the Committee Government has dropped the enquiry." Although they recommended at one time that the question of cost should be referred to the Tariff Board, they again thought that it should not be referred to.

Shri S. N. Das: In the Statement against item (iii) of the recommendations of the Development Committee it is stated that the voluntary cut of 4 per cent. in the price of yarn has been restored. May I know what are the reasons for this step?

Shri Mahtab: I think the hon. Member is referring to item (iv). This was agreed to make more yarn available for handlooms.

Shri S. N. Das: From item (viii) of the recommendations of the textile Development Committee it appears that there were joint meetings of this Committee and the Planning Commission on the 3rd and 4th of February. May I know the important decisions arrived thereat?

Shri Mahtab: The decisions have been embodied briefly in this Statement. Apart from these the day to day working of the textile control and production and distribution of cloth were considered. The Planning Commission have also in view the organisation of the textile industry in the right manner so that our textile problem may be solved. They are discussing various other things besides the textile industry—for instance the question of labour and the relationship of labour and the industry and things like that.

Dr. V. Subramaniam: Is it a fact that the quality of the cloth produced in the mills has gone down and if so

is it proposed to enquire into the causes for this?

Shri Mahtab: That complaint has been received and we are taking steps to look into this matter.

Shri Barman: Regarding item (ix) of the Statement, may I know why Government dropped the enquiry?

Shri Mahtab: It would not be in the best interests of the consumers themselves that the Tariff Board should enquire into this question of price at this stage.

Shri S. N. Das: In view of the fact that similar recommendations are made by these two committees and also in view of the fact that these two committees consist of almost the same members, may I know the reason for constituting two such committees for the same purpose?

Shri Mahtab: The committees are not exactly the same. The representatives of the industry and the representatives of labour are the same. But in the case of the Textile Control Committee, the Home Minister of the Government of Bombay is the Chairman and in the Development Committee I happen to be the Chairman. As nearly 60 per cent of the industry is in Bombay State we thought it would be better that the representative of the Bombay Government remains the Chairman of the Committee to help in the administration of controls, and this has been very helpful. So far as the working of controls is concerned, that Committee meets separately under Shri Morarji Desai's chairmanship. So far as the Development Committee is concerned, we meet here, either with the Planning Commission or separately.

Kaka Bhagwant Roy: As the price of Indian cotton is lower than the cotton of other countries, has any steps been taken in the direction of raising the ceiling prices of cotton?

Shri Mahtab: The Committee has not yet considered this question.

FAIR PRICE CLOTH SHOPS

*3886. **Shri S. N. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the Government of India have asked the State Governments to facilitate the opening of fair price cloth shops in their respective areas by mills;

(b) if so, which of the States have so far given effect to that directive;

(c) the number of such fair price cloth shops so far opened by the mills in the various States;

(d) whether the allotment of cloth to these shops is made by Government; and

(e) if not, what procedure is followed by the mills in fixing quotas for these shops?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes.

(b) So far Himachal Pradesh and Bilaspur State Governments have intimated that they have no objection to the opening of Fair Price Cloth Shops by the mills, and replies from other State Governments are awaited.

(c) Information is being collected.

(d) No.

(e) Supplies to these shops will be made by the mills out of their one-third free sale cloth.

Shri S. N. Das: May I know whether the Government contemplate any restrictions on the allotment of quotas to be supplied to these retail shops?

Shri Mahtab: Regarding the distribution of the quotas, we have suggested to the State Governments that this one-third free sales may be allowed to the mills through their own retail shops. In some States they have already started this. In fact, it is the Bombay Government that started this experiment first and as the results were good we recommended it to the other States also.

Shri S. N. Das: May I know whether any particular regions have been assigned to these mills?

Shri Mahtab: We are awaiting replies from the State Governments.

Shri S. N. Das: May I know whether there will be any control exercised by the Central Government on the allotment of cloth to these retail shops?

Shri Mahtab: I may inform hon. Members that to-morrow the representatives of the State Governments incharge of cloth distribution and ourselves are meeting here to discuss this subject among various other subjects dealing with this one-third free sale; and I must not anticipate their decision, nor should I say now what I think about the matter.

Shri Dwivedi: If retail distribution of cloth is made to the consumer through fair price shops, may I know whether Government have been able to find out through what channels cloth flows to the black-market and what steps do Government propose to take in this regard?

Shri Mahtab: Fair price shops have not yet been opened except in Bombay and a few shops in Calcutta. In no other States fair price shops have been opened by the mills. At the present moment the mills are at liberty to sell one-third of their production in any way they like. That being the position, I cannot exactly say how cloth is being sold and through what agency.

Shri Shiv Charan Lal: On what basis cloth will be available to the people at these fair price shops? Is there any quota for each member or card-holder?

Shri Mahtab: Our idea was that if the State Governments were agreeable we would have asked the mills to open fair price shops in different regions allotted to them. But now, as I have already said, the whole matter will be considered tomorrow in Delhi and I am also going to invite a few Members of Parliament who are interested in the subject.

Prof. S. L. Saksena: Are Government aware of the acute shortage in cloth and will they tell us what steps they have taken during the last one month to improve the situation?

Shri Mahtab: I take this opportunity to place on the Table of the House, as I had promised, a statement showing the production of cloth during the last three months as compared with the previous three months. [*See* Appendix XXIV, annexure No. 21.]

PROPERTIES IN FOREIGN COUNTRIES

*3897. **Shri Jnani Ram:** Will the **Prime Minister** be pleased to state:

(a) the places where properties have been acquired for embassies in other countries during 1950 and 1951 up to March 1951; and

(b) the value of the properties acquired?

The Deputy Minister of External Affairs (Dr. Keskar): (a) and (b). (i) Three Houses at Karachi purchased in May 1950 ... Rs. 9,14,500.*

(ii) House at Ottawa purchased in June 1950 ... Rs. 2,20,054.

(iii) Land at Nairobi purchased in September 1950 ... " 15,523.

*Rs. 6,04,500 in Pakistan rupees.

Shri Jnani Ram: What were the circumstances under which the properties have been purchased in those places?

Mr. Speaker: What exactly does the hon. Member want?

Shri Jnani Ram: What were the previous arrangements for the accommodation of the embassies and their officers in those countries?

Dr. Keskar: Wherever we have no accommodation of our own, naturally we had to hire accommodation. As has been explained many times here, the policy of hiring buildings for the offices of our embassies is in the long run extremely costly. Therefore our policy is wherever possible to buy property, which ultimately is cheaper for Government.

Shri Jnani Ram: Are there any other proposals for the purchase of properties in other countries?

Dr. Keskar: Government tries to purchase properties wherever possible and if funds are available.

Shri Gautam: Who were the owners of the properties that the Government have bought in Karachi? Were they Indians or Pakistanis? If they were Indians, may I know whether those Indians have got the money paid by the Government of India or not?

Dr. Keskar: One is a Muslim and the other is a Parsi. They are not Indian nationals.

सेठ गोविन्द दास : इन जायदादों को खरीदने के बाद जो हर साल किराया देते थे और इन जायदादों को खरीदने के पहले जो एम्बेसीज़ के लिये वह किराया देते थे तो जायदादों को खरीदने के बाद हर साल सरकार को कितनी बचत हुई ?

[**Seth Govind Das:** What has been the annual saving to the Government with regard to the rent that was paid by them every year for the embassy buildings before these properties were purchased?]

डा० केसकर : इस के आंकड़े देने के लिये तो मुझे नोटिस चाहिये, लेकिन इतना मैं बतला सकता हूं कि इन जायदादों को खरीदने से हमको काफी बचत हो गई है ।

[**Dr. Keskar:** For giving these figures, I would require notice. I can, however, say that there has been a good deal of saving to the Government as a result of these properties being purchased.]

Prof. S. N. Mishra: How many of these properties are not being utilised, because of economy measures? Is it a fact that some of them are not furnished and are not in proper order?

Dr. Keskar: I think my hon. friend is confusing with regard to some other properties which we had purchased and we were not able to use them, because they were not furnished. As regards the properties mentioned just now, item 3 is land purchased, on which we will build later on. The house at Ottawa was not being used, because it was being furnished. Another reason was that at present we have no High Commissioner in Ottawa.

Shri Kamath: Is it not a fact that in London during the last year the big building formerly used as the Gaiety Theatre was purchased?

Mr. Speaker: I think this question has been put so many times in the House and the House knows very well the answers. I think he said that it was not being used for certain reasons.

Shri Kamath: He has not mentioned it in today's statement.

MEXICAN COTTON (IMPORT)

*3898. **Shri B. R. Bhagat:** Will the Minister of **Commerce and Industry** be pleased to state whether the Government of India are contemplating to remove the ban on the import of Mexican Cotton?

The Minister of Commerce and Industry (Shri Mahtab): There is no ban on the import of Mexican Cotton at present.

Dr. Ram Subhag Singh: In view of the fact that the import price of cotton is higher comparatively than Indian cotton, may I know whether Government propose to give any incentive to Indian cotton growers in the form of better prices?

Shri Mahtab: It is rather a very difficult matter. If we go on giving better prices to cotton growers, the result will be a rise in the price of cloth. We cannot argue both ways. It is a very complicated matter and I do not think I can give any opinion on it.

Shri Jnani Ram: When cotton is being imported from other countries what is the reason for banning the import of Mexican cotton?

Mr. Speaker: They have not banned it. The Minister's answer was in the negative.

Shri B. R. Bhagat: May I know whether cotton was actually imported from Mexico? If so, what is the quantity of such import?

Shri Mahtab: As a matter of fact last year 6,500 bales of cotton were imported. Although this Mexican cotton is not within the scope of the U. S. cotton allocation to India, still in consultation with the Finance Ministry we provided the foreign exchange for that purpose to the extent of 2.5 crores to cover about 12,000 bales of Mexican cotton. A public notice was issued on the 14th April by the Deputy Controller of Imports, Bombay but there have been no applications as yet, because the ruling price of Mexican cotton is about Rs. 3,200 per candy.

COTTON FOR BIHAR

*3899. **Shri B. R. Bhagat:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the State Government of Bihar has asked for five thousand bales of cotton for manufacture of *Khadi* cloth; and

(b) if so, whether the quantity of cotton asked for has been given?

The Minister of Commerce and Industry (Shri Mahtab): (a) and (b). Government have not received any direct request from the Bihar Government for the supply of 5,000 bales of cotton for manufacture of *khadi* cloth. Requests were, however, received from the Bihar Khadi Samiti, Muzaffarpur and the Charkha Sangh Wardha for the purchase of 1,520 and 2,000 bales respectively of cotton and necessary permission has been given.

Shri B. R. Bhagat: Was permission given for the quantity asked for or for a less amount?

Shri Mahtab: Exactly the same amount was given and that too on the same date the request was made to us.

SMALL SCALE MATCH FACTORIES

*3900. **Shri S. V. Naik:** (a) Will the Minister of **Commerce and Industry** be pleased to state how many small scale match factories there were in India during the years 1949 and 1950?

(b) What is the production capacity of these small scale match factories, and what percentage does the production from these factories form of the total production in India?

(c) Is it a fact that several such small scale match factories are being

closed down on account of inability to stand competition from large scale factories?

(d) What measures have Government been taking to give protection to small scale match factories?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a)

1949	...	...	216
1950	...	...	195

(b) (i) About 2,00,000 cases of 50 gross boxes of 60 sticks each per annum.

(ii) 23 to 26 per cent.

(c) Government have no definite information. The temporary suspension or closure of a few small scale match factories, if any, cannot be attributed to the competition by mechanised factories. Apart from their higher cost and inferior quality of products, the closures are likely to have been due to the loss of export market.

(d) Rebate of excise duty to the extent of one anna and six pies per gross for factories producing less than 5,00,000 gross boxes of matches per year and 3 annas per gross for factories producing less than 100 gross per day has been granted to the small scale match factories. In addition, all possible facilities in the supply of chemicals etc. are being given to these small-scale manufacturers.

Shri S. V. Naik: Are Government aware that the WIMCO with their elaborate organisation and huge capital investment has captured 75 per cent. of the market leaving small scope for cottage and small scale industries?

Shri Karmarkar: I understand that the production of cottage and small scale industries is about 25 or 26 per cent. But the competition of WIMCO has been there all the while and it is likely that the competition has had an effect on the small scale industries.

Shri S. V. Naik: Is the Government thinking of instituting an inquiry into the condition of the match industry with special reference to the Hyderabad State?

Shri Karmarkar: No. So far as the general question is concerned we have sufficient data with us with regard to small-scale industry, but if the hon. Member brings any item to our notice specially concerning Hyderabad we shall consider the matter.

Shri Jnani Ram: Are all the raw materials available in India?

Shri Karmarkar: I think a few of them are available, a few are imported.

Shri A. C. Guha: The hon. Minister stated that the number of small-scale factories has decreased further, from 1949 to 1950. Have the Government taken any steps to prevent further closure of small-scale factories?

Shri Karmarkar: This question has been very actively put before us at the meetings of the Cottage Industries Committee and elsewhere, and there are certain matters in which Government are giving them assistance. But Government cannot completely prevent the stoppage of these factories if the factories want to stop working.

Shri T. T. Krishnamachari: May I ask the hon. Deputy Minister, apart from *ad hoc* concessions given to this industry at the time the excise duties were raised by the Finance Minister in 1949 and 1950, has the Government any idea of instituting an inquiry into the economics of the industry so that it can be placed on a fairly reasonable footing?

Shri Karmarkar: We shall consider that. I understand that recently the Planning Commission has also gone into the details of cottage industries. However, in case it is necessary we shall certainly go into the economics of this small-scale industry.

FOREIGN TRADE

*3901. **Dr. Ram Subhag Singh:** (a) Will the Minister of **Commerce and Industry** be pleased to state the total value of India's foreign trade by land with Pakistan, Afghanistan, and Iran during the year 1950-51?

(b) What was the total value of our foreign trade with these countries by sea during the same period?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b). A statement is placed on the Table of the House. [*See* Appendix XXIV, annexure No. 22.]

As hon. Members would naturally be curious to hear the figures I may say for their information that with regard to Pakistan our total exports to Pakistan have been of the order of Rs. 30,40,96,000 and our imports from Pakistan totalled Rs. 43,93,73,000.

Dr. Ram Subhag Singh: May I know the goods which we import from Afghanistan and Iran?

Shri Karmarkar: Dried fruits, if I may say off-hand.

Shri Chaliha: May I know what is the quantity of tea exported to Iran by the overland route and by sea?

Shri Karmarkar: I have figures for all the three countries together here but not separately. I think I should place on the Table a complete statement of information with respect to these countries rather than confuse by giving sketchy information.

Kaka Bhagwant Roy: What are the commodities that we export to and import from Iran and Afghanistan?

Mr. Speaker: I think that is too wide a question

Prof. S. N. Mishra: Msy I know whether there has been any contraction in our trade with Afghanistan and Iran by land route because of the Pakhtoonistan movement in 1950 and 1951?

Shri Karmarkar: No, Sir.

Silk and Art Silk Piece Goods (Export)

*3902. **Dr. Ram Subhag Singh:** Will the Minister of Commerce and Industry be pleased to state whether silk and art silk piece goods are allowed to be exported to Pakistan?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): Yes, Sir.

Dr. Ram Subhag Singh: May I know the countries other than Pakistan to which we export our silk goods?

Shri Karmarkar: There is no restriction as to the countries to which exports of our silk and artificial silk goods are allowed.

Prof. S. L. Saksena: What is the total value of these exports of silk goods?

Shri Karmarkar: I have not got the information here.

Dr. Ram Subhag Singh: May I know whether the total quantity of silk production in India is more than our total requirements?

Shri Karmarkar: I think the hon. Member knows that our production of raw silk is about 2 million lbs. and our requirements about 4 million lbs. So our shortfall of raw silk is about 2 million lbs. which we have to import

Shri Shankaraiya: In order to encourage the manufacture and export of silk goods will the Government give any concessions to exporters out of the import duties levied on raw silk?

Shri Karmarkar: That is a rebate on the import duty on raw silk imported from outside?

Shri Shankaraiya: Yes.

Shri Karmarkar: We shall consider the matter.

Cigarette Paper Factory at Tribeni

*3904. **Pandit Munishwar Datt Upadhyay:** Will the Minister of Commerce and Industry be pleased to state what is the capacity of production of the cigarette paper factory started at Tribeni near Calcutta?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): 3,500 tons per annum.

Pandit Munishwar Datt Upadhyay: Is there any other factory manufacturing cigarette paper and, if so, what is its annual production?

Shri Karmarkar: The two factories, so far as I know, are the Bengal Paper Mills Ltd. and the Tribeni Mills. Out of them the Tribeni Mills has a manufacturing capacity of 2,000 tons of cigarette paper as against our requirements of 1,600 tons.

Pandit Munishwar Datt Upadhyay: Is it not a fact that there is no provision for adequate supply of raw materials for this industry?

Shri Karmarkar: I am not aware of any complaints about the supply of raw materials to this industry.

Group Areas Act

*3905. **Pandit Munishwar Datt Upadhyay:** (a) Will the Prime Minister be pleased to state whether it is a fact that the enforcement of the South African Group Areas Act has made many Indian families destitutes and that they are in a very precarious position to carry on an honest living?

(b) Have they made any representation to the Government of India on the subject?

(c) What steps are the Government of India taking in the matter and with what result?

The Deputy Minister of External Affairs (Dr. Keskar): (a) to (c). Although the Group Areas Act has

been enforced, no group areas for the occupation and ownership of different racial groups have yet been earmarked. Uprooting of Indian families from their existing homes or businesses has, therefore, not so far taken place, nor have any representations been received from them by the Government of India. As already explained in the White Paper which has been issued (copies of which are available to the hon. Members in the library of the House) the question has again been referred to the United Nations for such action as may be considered necessary.

Pandit Munishwar Datt Upadhyay: May I know whether there is any scheme under which provision has been made for compensation or for exchange of property belonging to Indians?

Dr. Keskar: Details of the working of the Group Areas Act have not been formulated by the Government of South Africa. So, it is not possible for me to reply that question.

Pandit Munishwar Datt Upadhyay: May I know whether there is any other organisation of Indians in South Africa other than the Indian Congress which is protesting against this Act, and, if so, may I know whether all the organisations are unanimous in protesting against this Act?

Dr. Keskar: I think I replied to this question last time when there were two questions regarding South Africa.

Pandit Munishwar Datt Upadhyay: No, Sir, I want to know whether they are unanimous. The hon. Minister told the House that there were a number of organisations and therefore Government could not know what to do, whether they should recognise this group or that group.

Dr. Keskar: I would require notice with regard to letting my hon. friend know the number of Indian organisations in South Africa and whether they represent really and truly the feelings of Indians in South Africa.

Prof. S. N. Mishra: May I know whether there has been any consultation with the Government of Pakistan in regard to the steps to be taken after the refusal of the Union Government of South Africa to participate in a round table conference on the basis of the U. N. O resolution?

Dr. Keskar: There was quite an amount of correspondence with the Pakistan Government,—and some of the correspondence has already been published— with regard to the reasons why we could not participate in a round table conference under the conditions that South Africa proposed.

सेठ गोविन्द दास : क्या गवर्नमेंट को यह बात मालूम है कि इन कानूनों के खिलाफ़ दक्षिण अफ्रीका में श्री मणिलाल गांधी ने उपवास किया था और क्या गवर्नमेंट यह बात जानती है कि उस उपवास के फलस्वरूप यह केवल वहां के भारतवासियों ने ही नहीं बल्कि वहां के दूसरे जो भी कलर्ड लोग हैं और जो भी वहां के आदिवासी हैं उन लोगों ने भी मणिलाल गांधी और वहां की दूसरी संस्थाओं के साथ इन कानूनों के खिलाफ़ कार्रवाई करने के लिये राय प्रकट की है ?

[**Seth Govind Das:** Are the Government aware of the fact that in South Africa Shri Manilal Gandhi had kept fast in protest to this Act and that as a result of this fast not only the Indian residents of South Africa but also the people of other coloured races and native tribes propose to join with Shri Manilal Gandhi and other local organisations in protesting against such legislations?]

डा० केसकर : गवर्नमेंट ने इस बारे में कुछ सुना है और पिछली बार जब यह सवाल उठा था तो इस बारे में गवर्नमेंट की ओर से, जो कुछ हमारी मालूमात है, उनको आपके सामने रख दिया गया था।

[**Dr. Keskar:** The Government have heard something in this regard and whatever is in their knowledge was placed before the House when this question last arose.]

Shri Kamath: Is it a fact that the Government of South Africa have decided to consign Indians in South Africa to a separate electoral roll, and if so have they intimated their decision to the Government of India?

Dr. Keskar: It is a fact that the Government of South Africa have decided to have separate electoral rolls for Indians in South Africa. They have not intimated to us this decision, but we are calling for details of this decision from our representative in South Africa.

GRATUITIES TO INDIAN WORKERS IN CEYLON

*3906. **Pandit Munishwar Datt Upadhyay:** (a) Will the **Prime Minister** be pleased to state whether it is a fact that the Ceylon authorities have offered gratuities ranging from Rs. 200/- to Rs. 400/- according to period of service to the labourers in Ceylon returning to India?

(b) Are some labourers proposing to return to India in the circumstances?

The Deputy Minister of External Affairs (Dr. Keskar): (a) and (b). Government have no information. We have called for a report from our High Commissioner in Ceylon and shall place it, when received, on the Table of the House.

Pandit Munishwar Datt Upadhyay: May I know what is the percentage of the Indian population in Ceylon which is employed as labourers?

Dr. Keskar: I require notice.

Pandit Munishwar Datt Upadhyay: Is there any general discrimination against Indians in Ceylon or is it only in respect of labourers?

Dr. Keskar: I have not been able to see any discrimination here.

Pandit Munishwar Datt Upadhyay: The attempt is being made to see that Indians go back to India and this applies to men who work there as labourers. That is the sort of discrimination that is made against them. Is there any other general discrimination or only this?

Dr. Keskar: I cannot call this discrimination.

Mr. Speaker: I think the question refers to a wider field.

SITE FOR TRADE FAIRS

*3907. **Shri S. C. Samanta:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that a site near Rajghat in Delhi has been selected for the holding of future trade fairs;

(b) if so, whether permanent structures will be put up ; and

(c) whether the expenses for acquiring the land and construction of buildings will be borne by the Government of India or by the Delhi Administration or by both?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) No.

(b) Does not arise.

(c) Does not arise.

Shri S. C. Samanta: Has the attention of Government been drawn to the report published in the *Hindustan Times* recently on this subject?

Shri Karmarkar: No, Sir.

Shri Deshbandhu Gupta: Are Government considering the allocation of any other site for this purpose?

Shri Karmarkar: I understand that the question of earmarking a site in Delhi for the holding of exhibitions and giving that site on a rental basis is now under the consideration of the Delhi Local Administration. No final decision has been taken yet. A site north of the Rajghat and east of the Bela Road has been suggested and this would be included in the agenda for the next meeting of the Delhi Development Sub-Committee.

Shri S. C. Samanta: May I know how much money the International Exhibition that was recently held had to pay for the site they used and to whom was the amount paid?

Shri Karmarkar: My hon. friend may address the question to the hon. Minister of Works, Production and Supply.

MANGANESE

*3909. **Shri Krishnanand Rai:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether manganese was exported from India in 1950 as ore in raw form or after some manufacturing process;

(b) to what country it was largely exported;

(c) what quantity of manganese Government intend to export in the year 1951 and to what countries;

(d) whether Government are negotiating with any country to get some important commodities in lieu of manganese to be exported and if so, with what country and for which commodities; and

(e) what is the quantity of manganese ore annually mined in India and whether manganese sources are exploited to their full capacity at present?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Manganese ore was exported in raw form.

(b) It was largely exported to the United States of America.

(c) The quota fixed for export of high grade manganese ore (45 per cent. and above) for the current year is one million tons and an unlimited quantity of low grade ore (44 per cent. or below). Government do not exercise any destinational control on export of manganese ore.

(d) Government are not at present negotiating with any country to get any commodity particularly in lieu of manganese ore exported.

(e) The quantity of manganese ore mined in India generally depends on its demand in world markets. Production of manganese ore in 1948 was 525,876 tons, and 645,825 tons in 1949. There have been instances when the production exceeded one million tons per year during the pre-war years.

Shri Krishnanand Rai: Referring to part (d), has any Indian delegation gone to the U.S.A. for negotiations?

Shri Karmarkar: I am not aware of any particular delegation, having gone specifically for the negotiations in connection with export of manganese. As the hon. Member knows, one senior officer recently went in connection with the procurement of raw materials which are getting to be scarce due to present market conditions.

Shri Krishnanand Rai: What is the total local consumption of manganese in India?

Shri Karmarkar: Notice.

Dr. Ram Subhag Singh: What percentage of our manganese ore is utilised for Ordnance Factories in India?

Shri Karmarkar: Again notice.

Shri Sohan Lal: Was manganese offered to any other country except America?

Shri Karmarkar: It is not a question of offering. It was actually exported to U.K., Germany, France, Italy, Japan and some other countries also. But our bulk purchaser is the U.S.A.

Shri Shankaraiya: In view of the fact that America is getting manganese from us and we are getting sulphur in large quantities from America, will Government consider undertaking negotiations for exchange of these commodities?

Mr. Speaker: He is making a suggestion for action.

सेठ गोविन्द दास : मैंगेनीज़ का धातु पदार्थ जो इस देश से बाहर जाता है, इसमें से किस किस प्रदेश से यह कहां कहां जाता है और किस प्रदेश से सबसे अधिक जाता है ?

[**Seth Govind Das:** What are the States in India from where Manganese ore is exported and to which countries; which of these States sends the largest quantity?]

मिस्टर स्पीकर : वह तो उन्होंने बताया कि सबसे अधिक यू० ऐस० ए० को जाता है।

[**Mr. Speaker:** About this he has already stated that the largest quantity goes to U.S.A.]

सेठ गोविन्द दास : नहीं, यहां किस प्रदेश से सबसे अधिक जाता है ?

[**Seth Govind Das:** No, Sir, what I want to know is as to which State in India exports it in the largest quantity.]

श्री करमारकर : यह मध्यप्रदेश से कुछ जाता होगा तो मैं इस बारे में तलाश करूंगा।

[**Shri Karmarkar:** I shall enquire if it is exported from Madhya Pradesh.]

Tamarind Kernel Powder

*3910. **Shri Sidhva:** (a) Will the Minister of Commerce and Industry be pleased to state whether for textile mills tamarind kernel powder was or is used in place of starch?

(b) Has the Forest Research Institute at Dehra Dun carried out research on this powder and found it as suitable substitute for processing materials in textile and jute mills?

(c) If so, do Government still supply edible maize for manufacturing starch?

(d) What quantity of maize was supplied during 1950 and in 1951 up to date for this purpose?

(e) Was a conference held on the 6th January 1951 under the Presidentship of the hon. Minister of Food and Agri-

culture where the hon. Minister of Commerce and Industry was present?

(f) If so, what were the decisions arrived at as regards this matter?

(g) How much tamarind kernel powder is produced during each year?

The Minister of Commerce and Industry (Shri Mahtab): (a) Yes, Sir. Tamarind Kernel Powder is used in textile mills in place of starch to a restricted extent since 1943 when maize starch was not freely available due to acute shortage of food cereals in the country.

(b) Yes, Sir, but its utility as substitute for sizing material is limited.

(c) and (d). In view of acute shortage of food cereals no edible maize is supplied by Government to starch factories. No maize was supplied to starch factories during 1950. A consignment of 9,800 tons of maize has, however, been imported in April 1951 by the All India Starch Manufacturers' Association, Bombay, against licence granted to them.

(e) Yes, Sir; but I was not present. A representative of the former Industry and Supply Ministry, however, attended the conference.

(f) Briefly stating the decisions taken were that the use of tamarind kernel powder in place of starch should be encouraged by affording adequate assistance to the tamarind kernel powder manufacturers. The use of edible maize imported or indigenous for manufacture of starch may be discouraged.

(g) The current production is estimated at 17,000 tons per year.

Shri Sidhva: In view of paucity of maize for starch production, what encouragement is being given to the tamarind kernel powder manufacturers?

Shri Mahtab: If any representation is received from these people with regard to the assistance required, their case will be very sympathetically considered by Government.

Shri Sidhva: Is it not a fact that on the 2nd March they have made a representation to the Ministry?

Shri Mahtab: I am not aware of any such representation. I shall make enquiries, but this has not been brought to my notice yet.

Shri S. C. Samanta: While encouraging the manufacture of tamarind kernel powder and its use in the mills, what steps do Government propose to take so that this powder may not be mixed with flour?

Shri Mahtab: The Food Adulteration Act is there. If it is enforced properly, there would be no adulteration.

Short Notice Question and Answer

Hindus and Tribal People in East Pakistan

Shri Kamath: Will the **Prime Minister** be pleased to state:

(a) whether it is a fact that the East Pakistan Government has prohibited the residence of Hindus or tribal people within five miles of the Indo-Pakistan frontier;

(b) if so, whether it is a breach of the Indo-Pakistan Agreement of the 8th April 1950;

(c) whether reports of insecurity among non-Muslims and forcible eviction from their lands or homes by the East Pakistan authorities have reached Government; and

(d) if so, what steps Government have taken, or propose to take, in the matter?

The Deputy Minister of External Affairs (Dr. Keskar): (a) Government have no definite information. Statements to this effect have appeared in the press and have been denied by the Government of East Pakistan.

(b) Does not arise.

(c) and (d). Complaints have reached us from time to time of houses and lands of Hindus being requisitioned by the East Bengal Government. More often, houses and lands have been forcibly occupied by refugees. These complaints are taken up by our Deputy High Commissioner with the East Bengal Government and by our Central Minister with the Central Minister of Pakistan appointed under the April 1950 Agreement. They also form the subject of discussions at the periodical conferences of Chief Secretaries of East Bengal and West Bengal.

Shri Kamath: Sir, after the press reports were brought to their notice, or were seen by the Minister, was any report called for from our Deputy High Commissioner in Dacca on this subject as to whether the reports are correct or not?

Dr. Keskar: As I said, Sir, we immediately brought it to the notice of the Pakistan Government who have denied that there is any such prohibition. We are trying to verify it and unless we could find by verification that the denial of Pakistan Government is incorrect, it is not possible for us to think of taking any further step.

Shri Kamath: Am I to understand that no report was simultaneously, or before or after, called for from our Deputy High Commissioner in Dacca?

Dr. Keskar: Report on all such things are automatically called for from our office in Pakistan, but as I said, it is not easy for them in another country to give us their verification report immediately; it will take some time.

Shri Kamath: Besides reports of eviction from lands or houses, have any reports reached Government about forcible conversion or marriages among the tribal people by the East Pakistan authorities?

Dr. Keskar: There have been some reports about Garos, Hajongs and the Banas. There was a question on this subject today which did not come up for answer. There were some reports about forcible conversions and abductions of Garos, Hajongs and Bana tribals. Some people came to the Indian side from that area, but after being reassured many of them went back.

Shri Kamath: Have reports reached Government whether some tribal people out of fear or for other reasons, have actually moved into our interior from the frontier?

Dr. Keskar: I am not able to say definitely.

Shrimati Renuka Ray: Will the hon. Minister tell us in how many cases of seizure of lands or houses, they have been able to obtain redress as a result of deliberations of Central Ministers on both sides?

Dr. Keskar: For giving definite figures, I would require notice of the question. But I would like to bring it to the notice of hon. Members that in quite a number of cases we have been able to obtain redress. In fact, the other day a question was put—with regard to Jessore I think—and at that time we showed in detail what steps our Government has taken to take up the question with the Pakistan Government.

Shrimati Renuka Ray: How many cases have been reported and what is the percentage where redress has been given?

Dr. Keskar: As I said, my hon. friends will realise that it is a very long and complicated list, and it would require notice and take some time to prepare. If the hon. Member tables a question, I would certainly try to furnish all facts that are in our possession.

Shri Chaliha: May I know, Sir, whether Pakistani nationals are allowed to cultivate in Tripura State and take away 45 maunds of paddy from the Indian Union?

Dr. Keskar: I would require notice to answer that question.

Shri A. C. Guha: The hon. Minister stated that he has received no official report. But what is the nature of the report he has received—whether there is any official ban on the residence of tribal people, or non-official local pressure is exercised on them, so that the tribal people may leave that place and come here?

Dr. Keskar: I did not say, Sir, that there is any official ban. What I said was that we have no definite information. Reports have appeared in the Press. We drew the attention of the Pakistan Government to this and they say it is all false.

Prof. S. L. Saksena: Has our Minister for Minorities been asked to submit a report about this matter also?

Dr. Keskar: I said in my reply that the question was taken up immediately by both our Deputy High Commissioner and the Minister for Minorities. I may inform my hon. friend that all such complaints are immediately reported to our Central Minister at Calcutta and the Deputy High Commissioner at Dacca.

Shri A. C. Guha: Have Government received any report that the Garos, Hajongs and the Chakmas of the Chittagong Hill Tracts have migrated in large numbers to the Indian territory in recent times?

Dr. Keskar: Yes; a certain number of Garos, Hajongs and the Chakmas have taken shelter in India.

Prof. S. N. Mishra: When was any step to ascertain facts taken by our representative in Pakistan or by our Minority Minister, Mr. Biswas, and whether any particular report has been submitted by our Minority Minister.

Dr. Keskar: As I said a detailed report is being awaited and our Minority Minister wrote to us that he has himself heard about such reports and is trying to find out facts?

Pandit Thakur Das Bhargava: What is the number of tribal people who have come out to India?

Dr. Keskar: I have not got the exact numbers.

WRITTEN ANSWERS TO QUESTIONS

Cloth Quota for Vindhya Pradesh

*3885. **Shri Dwivedi:** (a) Will the Minister of **Commerce and Industry** be pleased to state the quota of cloth allotted for Vindhya Pradesh in the years 1947-48, 1948-49, 1950-51 and 1951-52?

(b) Has the quota of cloth been reduced?

(c) What is the proportion of fine and coarse cloth quotas for a retailer in Vindhya Pradesh (i) in urban areas and (ii) in rural areas?

(d) Is it compulsory for each retailer to take the quota of fine cloth?

The Minister of Commerce and Industry (Shri Mahtab): (a) Vindhya Pradesh State was formed on the 2nd April, 1948 and control over distribution of cloth came into operation in August 1948. Therefore the allotments made to that State from August 1948 to date are as follows:

August to December 1948. ...	...	14,270 bales.
January to December 1949 ...	...	30,576 "
January to December 1950 ..	...	18,078 "
January to April 1951 ...		5,549 "

(b) No.

(c) No proportion of fine and coarse cloth has been fixed for urban and rural areas and the retailers are free to purchase cloth according to their requirements.

(d) No.

Industries, Factories, etc. in Bhopal

*3888. **Shri Dwivedi:** Will the Minister of **Labour** be pleased to state:

(a) the number of industries, factories etc., in **Bhopal and the kind** of work that is being done in them;

(b) the total number of labourers in all of them;

(c) whether all the Central Labour Laws are applicable to **Bhopal**;

(d) whether there are labour disputes pending, with dates in each case;

(e) whether there is in existence a Tribunal for disposing of labour disputes; **and**

(f) if not, what is the reason for this?

The Minister of Labour (Shri Jagjivan Ram): (a) The number of factories so far registered is 36. The registration of factories under the Factories Act, 1948, is still in progress. The factories are engaged in the manufacture of cotton textiles, sugar, card-boards, matches, *bidis*, ice etc., in generating electricity and in printing and engineering.

(b) The number of workers employed in these factories is about 14,000

(c) A statement of the Central Labour Laws in force in Bhopal is placed on the Table. [*See* Appendix XXIV, annexure No. 23.]

(d) Industrial disputes arose in the Straw Products Ltd. and a Sugar Factory in the first and last week of March, 1951, respectively. Conciliation proceedings are in progress for an amicable settlement.

(e) No Standing Industrial Tribunal exists. Tribunals on *ad hoc* basis are, however, constituted as and when required.

(f) The number of disputes is too small to justify expenditure on a standing Tribunal

Transhipment of Salt

*3890. **Shri Syamnandan Sahaya:** (a) Will the Minister of **Works, Production and Supply** be pleased to state whether the contract of supply of labour for transhipment of salt from ship to Salkia Salt Gola at Calcutta and to boats and wagons was given to Messrs Bird & Co.?

(b) If so, did the contract expire on the 31st of March, last?

(c) If so, has any tender been called for the future supply of labour for the above said purposes and for handling of salt?

The Minister of Works, Production and Supply (Shri Gadgil): (a) Yes

(b) Yes.

(c) There was no time to call for tenders for 1951-52, but it has been decided to call for tenders from the next financial year.

Import Quota for New Comers

*3891. **Shri Syamnandan Sahaya:** (a) Will the Minister of **Commerce and Industry** be pleased to state what percentage of the total ceiling for imports has been reserved for new comers?

(b) What is the criterion laid down for deciding as to who is a new comer?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Reservation in favour of newcomers of a percentage of the ceiling allotted for imports is made not in respect of the total foreign exchange available for imports but in respect of the ceiling available for individual items. The reason for this is that there are a large number of items which are licensed on merits or on considerations other than the claims of established importers and newcomers The general practice following the recommendations of the Import Control Enquiry Committee has been that newcomers applications are only invited in the case of those items where the ceiling is large enough to allow actual users to meet their six-monthly requirements in full and to provide for established importers getting licences which are in value not less than the value of their past imports in any one year. The percentage varies from item to item depending upon the availability of foreign exchange for each item. On any average, 5 per cent. of the ceiling in respect of items where newcomers applications were invited was reserved for newcomers, and whether this should be revived in any way is at present under consideration.

(b) Newcomers are firms who do not qualify for licences either as established importers or as actual users. One of the conditions which they have to fulfil to qualify for a newcomers licence is experience in that line or an allied line of trade internally

CABLE FACTORY

***3892. Shri Syamnandan Sahaya:** (a) Will the Minister of **Works, Production and Supply** be pleased to state what progress has been made in the establishment of the Cable Factory?

(b) Has the rate of fee payable to the firm been finalised?

(c) If so, what is the rate?

The Minister of Works, Production and Supply (Shri Gadgil): (a) A statement is placed on the Table of the House. [*See* Appendix XXIV, annexure No. 24.]

(b) Yes, Sir.

(c) According to the terms of the Heads of Agreement entered into with the Technical Consultants Messrs Standard Telephones and Cables Ltd. of the U. K. in November 1949, Government have agreed to pay them:

(i) 6 per cent. of the total cost of factory, plant, equipment etc., payment to be made after 3 months from the date of agreement in 6 quarterly payments of £5,000/- each and then quarterly payments at 6 per cent. of the estimated disbursements during the succeeding quarters.

(ii) 2 per cent. of the sale price of products manufactured in the factory, payable at the end of each year; with a minimum of £5,000/- per annum for the first three years (after the construction period) —payments to be increased in case coaxial and carrier cables are also included for manufacture.

(iii) 6 per cent. of the cost of any expansion or improvement to the factory if undertaken by Messrs Standard Telephone and Cables Ltd., of the United Kingdom.

MATCH INDUSTRY

***3908. Shri Kannamwar:** Will the Minister of **Commerce and Industry** be pleased to state what action Government propose to take on the report of the Tariff Board's recommendations of 1927 for the support of hand-made match Industry in India?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): In the Tariff Board's Report of 1928 regarding the grant of protection to the match industry, the Tariff Board considered that the manufacture of matches was not a fit industry for development on cottage lines and did not therefore recommend any special measures for the encouragement of cottage match factories. The then Government accepted this finding. The question of Government taking action on this recommendation therefore does not arise. But the Cottage Industries Board have recommended some kind of protection to the hand-made match industry. This recommendation is under examination.

OIL ENGINES (IMPORT)

***3911. Shri P. Basi Reddi:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the system on which licences for import of oil engines for agricultural purposes are being granted;

(b) the quota of oil engines allotted for Royalaseema (Madras);

(c) whether Government have received a representation from the Royalaseema Development Board urging for increased quota of oil engines for the area in view of its backwardness, lack of irrigational facilities and the acute famine conditions prevailing there now; and

(d) what is the decision of Government on the representation?

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) Diesel engines are licensed to established importers on a quota basis; a larger quota being granted to those with approved aftersale service. Distinct quota percentages are provided in the case of diesel engines of 0 to 10 h.p. and 11 to 20 h.p. respectively. Engines above 20 h.p. are licensed freely. A separate allocation also exists for licensing State Government requirements and those of Registered Societies subject to recommendations by the Ministry of Food and Agriculture.

In view of the urgent and present need for these engines for agricultural purposes, the licensing policy has recently been liberalised and in the case of diesel engines of 0 to 10 h.p. established importers having approved aftersale service have been permitted to import without limit, against blanket licences, provided shipment is made on or before the 31st December 1951. In the case of other established importers their January/June 1951 licences have been doubled. Likewise in the case of diesel engines of 11 to 20 h.p. all January/June 1951 licences have been treated in value. It has also been decided to entertain applications from parties who hold a sole agency arrangement in respect of a particular type of engine and who also have aftersale service arrangement of an approved type.

(b) No quota has been allotted. In Madras State there are 34 established importers of the class having approved aftersale service, from whom supplies of engines can be obtained.

(c) and (d). No specific representation has been received from the Royalaseema Development Board in the matter. Attention, however, is invited to the recent liberalisation in the licensing policy described at (a) above, as a result of which maximum possible supplies of diesel engines should now become available.

KONI TRAINING CENTRE

***3913. Shri Sidhva:** (a) Will the Minister of **Labour** be pleased to state what are the main subjects in which training is given in the Central Training Institute at Koni ?

(b) Is there scope for expanding the Institute?

(c) Have applications from prospective trainees been refused for want of accommodation?

(d) Have Government any plans to establish similar training centres in various parts of the country?

The Minister of Labour (Shri Jagjivan Ram): (a) Attention of the hon. Member is invited to the reply already given to the Unstarred Question No. 49 on the 14th December, 1950.

(b) Yes.

(c) Yes.

(d) No. The main obstacle in the way of establishing more training Institutes of this type is the lack of funds.

LICENCES FOR FOOD GRAINS IMPORT

***3914. Shri Deogirikar:** (a) Will the Minister of **Commerce and Industry** be pleased to state whether any private or public body is granted licence for importing food grains from Pakistan or any other foreign country?

(b) If so, what was the quantity so imported in the years 1948-49, 1949-50 and 1950-51?

The Minister of Commerce and Industry (Shri Mahtab): (a) As a general rule, all imports of foodgrains other than gram, pluses, self-raising flour and semolina, are made on Government account only. Departures have, however, been made from this rule in a few special cases.

(b) It is not possible to state the quantities of foodgrains imported on Government and private account separately. Total import figures during the years in question were:

	1948-49	
	Quantity	Value
	Tons	Rs.
Grains, Pulses and Flour	1,900,135	73,23,30,888

	1949-50	
	Quantity	Value
	Tons	Rs.
Grains, Pulses and Flour	2,225,466	99,54,66,732

	1950-51 (for eleven months)	
	Quantity	Value
	Tons	Rs.
Grains, Pulses and Flour	1,753,333	67,22,85,722

SAFE VAULT DEPOSITS IN PAKISTAN

*3915. **Pandit Thakur Das Bhargava:** (a) Will the Minister of **Rehabilitation** be pleased to state whether an agreement between India and Pakistan was reached in June 1950 about the transfer of safe vault deposits in banks from one country to the other?

(b) Is it a fact that in spite of the ratification of the agreement by Pakistan, the safe vault deposits have so far not been transferred by Pakistan to India?

(c) By what time may the owners of safe vault deposits in banks expect the return of their property from Pakistan to India for being delivered?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) Yes, an agreement to transfer safe deposits from one country to the other was reached.

(b) Yes. Pakistan has not yet issued the release order which would enable banks to shift the safe deposits to India.

(c) This depends on how soon Pakistan makes up its mind to honour the agreement.

FERRO-MANGANESE FACTORY

*3916. **Shri Joachim Alva:** Will the Minister of **Commerce and Industry** be pleased to state what is the capital of the American firm, Brainard International Company, in the ferro-manganese factory to be established in India and what is the Government of India's contribution towards it?

The Minister of Commerce and Industry (Shri Mahtab): Final figures have not been worked out but Brainards have offered to invest one million U. S. dollars in the form of currency for machinery. Although the company is prepared to provide the entire capital provision has been made for participation of Indian capital out of which the Government of India will be allotted, free of charge, 10 per cent. of the subscribed capital.

YARN FOR MADRAS STATE

*3917. **Shri V. K. Reddy:** (a) Will the Minister of **Commerce and Industry** be pleased to state the allotment of yarn made for the Madras State for May 1951?

(b) Have Government increased the monthly quota for May 1951 in view of the growing unrest amongst the weavers of the State?

The Minister of Commerce and Industry (Shri Mahtab): (a) The quota of yarn allotted to Madras for the month of May 1951 is 14,625 bales.

(b) The Government have agreed to give an *ad hoc* quota of 2,500 bales per month during the months of May and June 1951 in consideration of the fact that the Madras Government have restored the cut in Electric power supply to Mills and have withdrawn the extra recess period of an hour allowed to labourers in the mills in that State.

REFUGEES FROM NEPAL

*3918. **Shri Rudrappa:** Will the **Prime Minister** be pleased to state:

(a) the number of refugees from Nepal now in India; and

(b) whether any steps have been taken by the Government of India to send them back to Nepal?

The Deputy Minister of External Affairs (Dr. Keskar): (a) As Nepalese coming to India by land route are not required to be registered, the exact number of such refugees, if any, cannot be found out.

(b) No, Sir.

YARN ALLOTMENTS TO STATES

*3919. **Shri Rudrappa:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) the quantity of yarn allotted to each state for the months of March and April, 1951; and

(b) the quantity of yarn despatched to each State for distribution during these months?

The Minister of Commerce and Industry (Shri Mahtab): (a) and (b). Allotments and offers by mills in respect of yarn to various States during March 1951 is placed on the Table of the House. [*See* Appendix XXIV, annexure No. 25.]

Information for the month of April 1951 is being collected and will be placed on the Table of the House in due course.

SCHOOL OF PRINTING

*3920. **Shri Kesava Rao:** Will the Minister of **Works, Production and Supply** be pleased to state what progress has been made in the proposal to set up a School of Printing?

The Deputy Minister of Works, Production and Supply (Shri Barupohain): The question of setting up Schools of Printing is under consideration of the Ministry of Education. At the same time a scheme for providing training facilities for the workers of the Government of India Presses which has been prepared by the Controller of Printing and Stationery is under examination in this Ministry.

LOAN TO MYSORE IRON AND STEEL WORKS

*3921. **Shri Rudrappa:** (a) Will the Minister of **Commerce and Industry** be pleased to refer to the answer given to my starred question No. 1232 on the 30th March, 1950 and state when the application from the Government of Mysore for a loan for the expansion of the Mysore Iron and Steel works, Bhadravathi was received?

(b) What action has been taken on the application?

(c) Has any loan been given to any Iron and Steel Industry other than Mysore Iron works?

The Minister of Commerce and Industry (Shri Mahtab): (a) In December 1949.

(b) A loan of Rs. 1·5 crores for the year 1950-51 has been sanctioned to the Government of Mysore for financing some of their development schemes. It is probable that a similar loan for the current year may also be given. The question whether any part of the loan can be used by the State Government for the development of their steel works and, if so, how much is under consideration.

(c) Yes; Rs. 5 crores to The Steel Corporation of Bengal Ltd. and the Indian Iron and Steel Co. Ltd., together.

COTTON

*3922. **Shri Ganamukhi:** (a) Will the Minister of **Commerce and Industry** be pleased to state what was the production of cotton during the year 1950-51 and what was the target fixed for that year?

(b) What is the production target fixed for the year 1951-52?

(c) How many bales of cotton have been purchased by India from Pakistan under the Indo-Pakistan Trade Agreement?

The Minister of Commerce and Industry (Shri Mahtab): (a) to (c). Statement is laid on the Table of the House.

STATEMENT

(a)	Estimated production of cotton during the year 1950-51.	About 30 lakh bales of 392 lbs. each.
	Target fixed for the year 1950-51	35·68 lakh bales of 392 lbs. each.
(b)	Estimated production of cotton during the year 1951-52.	40 lakh bales of 392 lbs. each.
	Target fixed for 1951-52.	40 lakh bales of 392 lbs. each.
(c)	No. of bales of cotton purchased from Pakistan.	Nil

TECHNICAL HELP FROM I.L.O.

*3923. **Shri Sanjivayya:** (a) Will the Minister of **Labour** be pleased to state whether an agreement has been entered into by Government with the I.L.O. for technical assistance?

(b) What is the type of technical help that India expects from I.L.O.?

The Minister of Labour (Shri Jagjivan Ram): (a) Yes. A Basic Agreement between the I.L.O. and the Government of India was signed on the 26th April, 1951.

(b) The Government of India would, under the terms of the agreement, be able to obtain the services of Experts to advise the competent authorities in India on labour problems, to assist such authorities in the implementation of recommendations accepted by them and to participate in the organisation and execution of training schemes. The assistance may also take the form of provision of Fellowships or other arrangements for study and training abroad.

Details regarding the actual assistance to be obtained during the next three years are being worked out and will be made public in due course.

HOUSES FOR DISPLACED PERSONS

*3924. **Shri Kamath:** Will the Minister of **Rehabilitation** be pleased to state:

(a) the total number of displaced persons in Delhi State who have not yet been provided roofed accommodation; and

(b) the steps Government propose to take to provide them with such accommodation before the onset of the monsoon?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) As already stated in my reply to Starred Question No. 1551 answered on 19th February 1951, the number of displaced families without proper shelter in Delhi is estimated at 30,000 out of which 1,800 families have been allotted houses and shops uptil now.

(b) The building programme for 1951-52 for displaced persons in Delhi has already been indicated in reply to

Part (a) of the Starred Question No. 3406 answered by me on 23rd April 1951.

About 1,500 families are expected to be housed during the period from now onwards and before the monsoon.

TRIBAL PEOPLE IN EAST PAKISTAN

*3925. **Shri M. Naik:** (a) Will the **Prime Minister** be pleased to state whether there is any truth in the report that most of the paddy lands belonging to the Garos, Hajongs and the Bana is being taken away by the local Government of East Pakistan?

(b) Have Government come across any reports of large scale abduction, conversion and forcible marriages of Garo women and girls having taken place during the last four months or so?

(c) If so, what steps have Government taken or propose to take in that regard?

The Deputy Minister of External Affairs (Dr. Keskar): (a) and (b). Government have received reports of the nature mentioned by the hon. Member but they are not in a position to say how far these reports are correct.

(c) Our Central Minister has already brought such reports to the notice of the Pakistan Central Minister and is enquiring to find out the facts of the case.

FIRING INCIDENT IN BIRATNAGAR

*3926. **Shri Jnani Ram:** Will the **Prime Minister** be pleased to state:

(a) whether a firing was resorted to in Biratnagar on Monday, the 16th April, 1951;

(b) the reasons for the firing; and

(c) the number of Indian Nationals killed or injured?

The Deputy Minister of External Affairs (Dr. Keskar): (a) Yes, Sir.

(b) The labourers of the mill area demanded the release of 6 arrested persons and when this was refused they attacked the Nepal Government forces there, killing one instantaneously and injuring others. Thereupon the Nepal Government forces opened fire.

(c) According to a report from the Indian Embassy, Kathmandu a few were killed and several injured. It is not known whether any Indians were involved.

RUSH OF DISPLACED PERSONS FROM EAST BENGAL TO CALCUTTA

*3927. **Shri A. C. Guha:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether there is now an unexpected rush of displaced persons from East Bengal to Calcutta;

(b) whether Government have issued instructions to very much restrict the number of displaced persons to be accommodated in camps for displaced persons;

(c) whether there has been an accumulation of a fairly large number of displaced persons at the Sealdah Station;

(d) what arrangements have been made for food, medicine etc. of the displaced persons now accumulating at the Sealdah Station; and

(e) whether there have been any cases of starvation death or of any epidemic disease among the displaced persons at the Sealdah Station?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) No.

(b) Yes. Instructions have been issued to restrict new admissions into Camps only to necessitous cases who have no other means of subsistence and have left behind no near relatives in East Pakistan.

(c) No.

(d) and (e). Do not arise.

DELHI HOUSING COMPANY

276. **Shri Syamnandan Sahaya:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether Government have purchased shares worth Rs. 10,00,000 (ten lacs) in the Housing Company, Delhi;

(b) if so, what is the total share capital of the Company; and

(c) the conditions on which Government have become share-holders of the Company?

The Minister of State for Rehabilitation (Shri A. P. Jain): (a) to (c). The Government have not purchased any shares in the proposed Housing Company in Delhi as yet. It has, however, been decided to float a Joint Stock Company with an authorised capital of Rs. 50 lakhs of which the Government will invest 51 per cent. To start with the subscribed capital of the company will be 50 per cent. i.e. Rs. 25 lakhs only, out of which Rs. 20 lakhs will be paid by the Government and Rs. 5 lakhs by the Punjab National Bank Ltd.

अंबला तथा बहेड़ा

३७७. श्री बांगड़े: क्या वाणिज्य तथा उद्योग मंत्री यह बतलाने की कृपा करेंगे कि :

(ए) पक्के रंग बनाने के लिए काम

में आने वाले आंवलों तथा बहेड़ों की कितनी मात्रा तथा किन किन देशों को निर्यात की जाती है ?

(बी) वर्ष १९४८, १९४९, तथा १९५० में निर्यात किये गये आंवलों तथा बहेड़ों की सम्पूर्ण मात्रा तथा उन का मूल्य क्या है; तथा

(सी) भारत में किन किन उद्योगों तथा कारखानों में आंवला तथा बहेड़ा काम में लाया जाता है ?

MYROBALAN AND HELLERIC MYROBALAN

1277. **Shri Jangde:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) what quantities of myrobalan and helleric myrobalan used for manufacturing fast colours are exported to foreign countries and the names of these countries;

(b) the amount and total value of myrobalan and helleric myrobalan exported during the years 1948, 1949 and 1950; and

(c) the industries or factories in India in which myrobalan and helleric myrobalan are used?]

The Deputy Minister of Commerce and Industry (Shri Karmarkar): (a) and (b) A statement is placed on the Table of the House. [*See* Appendix XXIV, annexure No. 26.]

(c) Myrobalan and Helleric myrobalan are used in the tanning industry (Vegetable Tanning) in India.

PETROLEUM SUPPLIES FROM ANGLO-IRANIAN OIL COMPANY

278. **Dr. Ram Subhag Singh:** Will the Minister of **Works, Production and Supply** be pleased to state whether the strikes in the Anglo-Iranian Oil Company at Abadan has in any way affected the petroleum supplies to India.

The Minister of Works, Production and Supply (Shri Gadgil): No, Sir; at least not up to the present.

COTTON CROPS IN SURAT REGION

279. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of **Commerce and Industry** be pleased to state what is the amount of damage caused to the cotton crops owing to hot and cold waves in Surat Region?

(b) How has it affected the distribution of cotton to the mills?

(c) Has any estimate of the yield of cotton in that region been made?

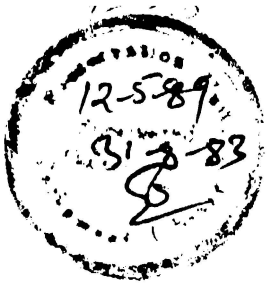
(d) On what data was the final estimate prepared?

The Minister of Commerce and Industry (Shri Mahtab): (a) Figures of damage caused to the Surat cotton crops due to hot and cold waves are not available. According to the present estimate, the cotton crop is estimated to be 30,000 bales lower than the original estimated figure. The lower estimates are, however, not due to any direct damage to the crop itself but due to reports of lower lint outturn this year, than has normally been the case in previous years.

(b) A tentative reduction of about 20 per cent. has been made in the allocation of Surat cotton to the Mills.

(c) **No.**

(d) **Does not arise.**



PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

Third Session

of the

PARLIAMENT OF INDIA

1950-51

THE

PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers.)

OFFICIAL REPORT

PARLIAMENT OF INDIA

Monday, 7th May, 1951

The House met at Half Past Eight of the Clock.

[MR. SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(See Part I)

9-38 A.M.

RESIGNATION OF KANWAR JASWANT SINGH.

Mr. Speaker: I have to inform hon. Members that Kanwar Jaswant Singh has resigned his seat in Parliament with effect from the 3rd May 1951.

TARIFF COMMISSION BILL—*contd.*

Mr. Speaker: The House will now proceed with further consideration of the motion moved by the hon. Shri Hare Krushna Mahtab on the 5th of May 1951 for reference of the Tariff Commission Bill to a Select Committee

Shri Sidhva (Madhya Pradesh): I rise to support the principle of this Bill from the bottom of my heart. This Bill is the outcome of the Fiscal Commission's Report, a very illuminating document. It has dealt not only with subjects relating to industries, major or minor, big or small, but has also dealt with the agricultural industry. Several chapters have been devoted for the purpose of improvement of our agriculture. They have also devoted a greater part of their attention to the development of cottage industry. Although this Bill does not envisage any kind of protection regarding the agriculture industry I do hope the Government will take due notice of the recommendations and suggestions made by this Commission. Not only has the Commission made various suggestions, but our late colleague Mr. Mukthar Singh who was an expert in agriculture has appended a very illuminating note on the development of agriculture in this country. I have had the pleasure of coming into close contact with Mr Mukthar Singh in the Oilseeds Committee and I can say that he had a very very wide experience of agriculture. Not only had he experience but he had original ideas also. Although I was a Chairman and he was only a Member of this Commission, he was a great guide to me. I do expect that the Government will consider this Report, particularly this aspect of the question regarding our food problem which is really agitating the country to such an extent.

We are lacking immensely as far as agricultural statistics are concerned. In America and Russia I might say that every inch of land, either cultivated or not cultivated, fallow land or waste land, has a complete record and they know how agricultural land could be developed or made use of. While we are lacking immensely in this respect, this Report furnishes a great deal of information. Therefore, although this does not come within the jurisdiction of the Ministry of Commerce and Industry, I hope that Government will bear this in mind as to what they intend to do as regards the recommendations of this Commission as far as the agricultural aspect is concerned. Because this Report has not come before this House for consideration and we are considering only a part of it, namely the big industries or even the small industries but industries as we mean power and heavy industries.

Coming to the provision contained in this Bill which relates to industries, there was a doubt and a suspicion

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created in the minds of several Members whether this Bill covers the protection for and expansion of cottage industry. My friend Mr. Ramalingam Chettiar stated that the Bill does cover it whereas the hon. the Deputy Commerce Minister in the course of his reply last Saturday stated that this Bill is meant principally for the protection of heavy industry. I agree with him. But when his attention was drawn by the Deputy-Speaker that sub-clause (3) of clause 11 does contemplate cottage industry also to be included in this Bill, the Deputy Minister said, "Yes, that could also be done". I am sorry—the Government must have a definite idea as to whether this Bill envisages protection of the cottage industry also or not. My own personal view is that it does not and that the Deputy Minister was right in the first instance. But when the Deputy-Speaker from the Chair pointed to clause 11 he said "Yes, it does." I want to know the correct position. Personally I do wish that it covers cottage industry. The Report states that there should be a regional organisation in every State in respect of cottage industry. I share that view and wholeheartedly endorse it. I do not want centralisation of cottage industries. Cottage industry is such a vast thing that it has to be decentralised. Unless we decentralise and allow it to take its growth in the various States we are not going to move in the direction of enabling cottage industry to flourish.

Shri Ramalingam Chettiar (Madras): Just a word in explanation. The hon. the Deputy Commerce Minister and others who spoke seemed to have misunderstood what I said with reference to the cottage industries. There are three points with reference to the cottage industries which have to be considered. In the first place, the cottage industries themselves may apply for some sort of help—tariff and things like that. Secondly, in considering an application by a bigger industry the interests of the cottage industries have also to be considered. And thirdly, I said that the relationship between the bigger industries and the cottage industries has to be considered. All the arguments advanced by the Deputy Minister have been only with reference to the third point. The other two points have not been met by him at all. My contention was that there are these three matters with reference to cottage industries which will have to be taken into consideration by the Select Committee when they go into this Bill. Minister is correct, the other two points can be gone into by the Select Committee. That is the point.

Shri Sidhva: I have no objection if the Select Committee wants to improve on this Bill and embody in it the working of the cottage industry also. But I still feel that cottage industry stands quite separate from the heavy industries, and if it is mixed up with these it is just possible that the object of this Bill.....

The Deputy Minister of Commerce and Industry (Shri Karmarkar): May I intervene for a moment on this point so that the discussion might not get confused and the matter may be clear? The point I tried to make out on Saturday was that the object of this Bill is to protect Indian industry as against competition afforded by well-established foreign industry. That is one proposition. As regards the other proposition sought to be made by my hon. friend Mr. Ramalingam Chettiar and now by Mr. Sidhva, that the cottage industries as such may require protection as against large-scale industries inside the country itself, I said that these were two different questions. The question regarding tariff and subsidies to Indian industry in facing competition from outside could very well be taken in this Bill. In respect of the other question I said respectfully that the Select Committee may also consider the question whether it could take both the questions together. I just say this because otherwise we might confuse the object of the Bill as being the relations between Industries—small-scale and large-scale—in the country itself.

Shri Sidhva: Am I clear in understanding that the Bill envisages the consideration of cottage industry also?

Mr. Speaker: I do not know whether I have correctly understood what the hon. Minister said, but what I have understood is this. This Bill principally deals with those industries, with which industries in foreign countries are coming into competition, and therefore the question relating to that competition and protection to be given to industries within India—all industries big or small—is entirely an independent and a different question from the question of giving protection to cottage industry as against the bigger industries in the country itself. When I say 'independent' it means they are inter-dependent to some extent but the main object is to give protection as against the foreigner, to set our own house in order, and that after having set it in order, we should see how we deal with each other. That is how I

Shri Karmarkar: You have put it very correctly, Sir.

Mr. Speaker: That is the scope of the Bill, and the Select Committee in considering details about the cottage industry also will have to bear in mind as to whether they will be within the scope of the Bill—in going into the question of cottage industries, even if they are not related to the protection to be given to heavy industries.

Shri Sidhva: The matter has to a certain extent been made clear. It is for the Select Committee to consider if they really want whether the cottage industry is to be brought within the provisions of this Bill. Personally my view is and I have made it very clear —as you have rightly pointed out and the Deputy Minister has endorsed it— that this Bill envisages the giving of protection to those articles or industries which are facing competition from foreign articles or industries. I personally feel it is a very big question as far as the expansion of our industries is concerned so as to make them self-supporting and not only to enable them to meet foreign competition; and therefore if they confine themselves just now to these big industries, it will be doing a distinct service. However, cottage industries cannot be ignored. It is a very important matter. As I stated, definite recommendations in this regard have been made by the Fiscal Commission and they lay stress on the fact that it should be decentralised. I do agree. My personal view is that Industry, Commerce and Labour should have been Central subjects only. But somehow the Constituent Assembly has made them Concurrent subjects. I do feel that these three subjects have an all-India character and if Acts in respect of these subjects are not enacted looking to the interests of the country as a whole then our economy is generally affected. And this we have seen in the various measures of State legislation both with respect to industry and also labour. However, I will not say anything because it is already an established fact that the Constituent Assembly has put this in the concurrent list; but so far as the cottage industries are concerned, I do feel that the State Governments have a very important part to play and the Select Committee will bear this in mind and try to give an impetus to the cottage industries. The Central Government for the last three years have given a lot of money, they have set up some advisory committees without any satisfactory results; I must emphatically say no tangible result, no improvement has been made. In some of the emporiums some of the articles that they have manufactured in cottages are exhibited in Delhi or some other places but that is not sufficient. We know of exhibitions that are being organized by the All India Spinners and also of various *swadeshi* enterprises. We know what is being manufactured. But how it is popularized is a point to which Government have not paid any attention. Marketing is the greatest difficulty that comes in the way of cottage industries and I have constantly been stating that the words 'cottage industry' is a very vague term. Cottage industry is a home industry also and one must not think that it is done in the rural areas only. Cottage industry is undertaken in some cities also; in big cities the people at home manufacture some of the articles but they are handicapped by lack of finance...

Mr. Speaker: May I point out to the hon. Member that though a reference to cottage industries and to salient points and the necessity of encouraging it, is perfectly relevant in connection with the consideration of big industries, it would be irrelevant to go out of the scope of the present Bill, which as I first pointed out is intended to give protection to Indian industries and if all Indian industries are protected, I am sure the cottage industry would also be protected from foreign competition. So, let us not go into the details or into the other aspects. He will deal with the present aspects so far as they are included in the Bill. I do not say that all that he is saying is entirely irrelevant, but it is more than necessary now to go into those details.

Shri Sidhva: Am I to understand, Sir, that the Select Committee will not consider the question of cottage industry?

Mr. Speaker: The Select Committee may consider whatever it thinks proper. I do not wish to anticipate what it will consider. If it comes to consider anything in detail, not relating to the main purpose for which this Act is being enacted, it will be then for the Chair to decide as to whether the decisions of the Select Committee are outside the scope of the present Bill or not. I should not anticipate anything, nor should I anticipate any ruling on that question. That is the broad scope as pointed out by the hon. Deputy Minister and as explained by me now. All this is on the record and let the Select Committee consider what it likes.

Shri Sidhva: All right, Sir. The point which I stated with regard to

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the cottage industry is an important factor and the Fiscal Commission have given careful consideration to this matter. I merely thought that some of the points which will be useful for the consideration of the Select Committee could be mentioned by me. However, I will not go into details. I am sure the Select Committee while considering this Bill will have before them the Fiscal Commission's report. I certainly expect that every Member will study the Fiscal Commission's report as well as this Bill, so that they may get a clear cut idea as to what is the intention of the report and as to what extent protection should be given to the various industries. I was going to emphasize that the small industries are suffering mainly for lack of various facilities; I was mentioning marketing; I was mentioning lack of finance.

Now I come to heavy industries—small or big—which are confronted with foreign competition. There is certainly a great improvement in this Bill as against the provisions of the previous Tariff Board. I congratulate the Government for bringing in the present proposal. Every time when these protection Bills come before us, Government merely gives them protection for a number of years, but information is not given to us as to whether the industries have been asked to improve the quality or to cut down their operational charges so that they can meet competition with foreign countries. All along these complaints were there and the Fiscal Commission has dealt with all these exhaustively. I am glad that some of the recommendations have been embodied in this Bill. I do hope that in future when protection has to be given to any industry, the points that I have made out will be borne in mind, for example, to what extent the raw material which is generally a handicap for the purpose of expansion of an industry will be available to them. At present we have got several industries with very large capacity. In certain respects we can cope with the Indian production in the country but for want of the raw material they cannot produce that quantity which India requires. What arrangements will Government make in this respect, I ask?

Will they really look to the dollar exchange or the sterling exchange or will they look to the country as a whole for the purpose of expending the industries? The Government should bear this in mind. This kind of legislation is not going to help unless the Government define their policy for the purpose of giving the industry is concerned. A week ago we went to Modinagar in U.P. a distance of twenty miles from here and we had occasion to see the Hurricane Lantern industry. Now this Hurricane lantern industry comes to us every second year for protection and it does deserve protection. There is no doubt about it but the position of this industry is precarious owing to lack of the raw material. If the tin plates were available, they would be in a position to compete with foreign countries. The other day the hon. Minister gave the price of Dietz Hurricane lanterns which is a well-known German lantern with which we are competing.

At present they are not in a position to work three shifts because they are not in a position to get the tin plates. I found that some times they are not even working one shift. I therefore want to know the policy of the Government in this respect. While they are enacting this Bill and establishing a permanent board, will they also consider what kind of policy they are going to adopt for the purpose of giving the raw materials to these industries. I gave only one illustration. There is only one factory manufacturing galvanized pipes. It is very well known for the purposes these pipes are used; there is a great demand for these pipes and there is heavy competition and large quantities are being imported. But no protection has been given to them and therefore this industry is not in a flourishing stage. I am glad to note that in this Bill there is a provision which says that even in the initial stages, that is to say, before starting an industry, if protection is needed, it could be given. This is an improvement over the previous conditions. I had interrupted the hon. Minister when he was explaining this point about the proposed new industries which are to come into force and asked him whether protection will be given only to the big industries or even to the small industries. I asked him if he will look after the big industries which are promoted by the wealthy class, because he thinks that the money would not be wasted? What about the other middle class people who start fairly middle size factories and which really could not expand for want of finance? What method will be adopted by this Tariff Commission was not very clear. A point was made by my hon. friend, Mr. T. T. Krishnamachari about the protection we gave on the manufacture of motor parts last year. The matter was very hotly considered here in this House and the hon. Finance Minister and the then

mised us that they will give us a report and as Mr. T. T. Krishnamachari rightly stated, that report is not forthcoming. We have thereby made the consumers suffer for essential commodities. Motor cars, buses, and their chassis are essential for communication. We have made those things dear by giving the protection. I do not mind if as a result of the protection, they are able to manufacture large quantities of motor cars, trucks, chassis and buses. I do not know what is being done. Of course, the Old Finance Minister is not here; nor is there the old Minister for Industry.

10 A.M.

The Minister of Commerce and Industry (Shri Mahtab): I am going to place all the information with regard to that in my reply.

Shri Sidhva: I am very glad to hear that, because I do not like that if the Ministers change, the promises given by them should not be respected.

I was saying, Sir, I welcome this proposal. There are many middle class people who want to start industries. For instance, I may mention that the Carriage Rubber tyres are in great use here; but they are not manufactured in this country. Some experts have come and for want of finance they are not able to start the industry. They can finance to some extent. But, a large amount is required. They do not want to hand over the industry to millioners because they want to utilise the knowledge that they have brought. I hope that the Government will pass on instructions to the Commission to bear in mind the case of such industries and not only the case of big men: I say by big men, men roaring in millions, and lakhs. Facilities should be given to even these industries started by middle class people, in order to make the country self-sufficient.

Shri Mahtab: May I just interrupt and say that the Commission is to consider the case of industries, and not the case of industrialists. Applications for protection of industries will be considered by them by whomsoever they may have been started.

Shri Sidhva: Industries mean industrialists.

Mr. Speaker: Industries are run by industrialists.

Shri Goenka (Madras): Maybe by the Government.

Shri Sidhva: There is another point in this connection: For the expansion of industries, they import new plants; but they do not want to imitate and manufacture the plants themselves in India, so that there may be no need to import more plants. For instance, we have got the sugar industry. I want to know how many of the sugar mills plants were manufactured in India. In Formosa, Sir, four sugar plants were imported from four different countries and then, they manufactured the number of machines required in Formosa. In our country, we have got able and efficient engineers. I know power looms are manufactured in India; I also know different kinds of tools are also manufactured here. Take the textile industry. Today, a textile machine costs one crore. Some time back it was costing 35 lakhs. I want to know how many textile plants have been manufactured in India. Government should encourage the manufacture of the plants in India. This is a point which should be borne in mind because our money is unnecessarily spent in foreign countries when we ourselves can copy those plants and manufacture the machines in our country. We are manufacturing lathes. The other day, I said about the hurricane lantern producing machinery. That machine could be easily manufactured here. I submit encouragement and protection should be given only to those industrialists who promise that after importing a plant that is not available in this country, they will manufacture that plant here. When we are out to produce our own locomotives, and when we are going to have our tools manufactured in two or three years, these private industrialists should not be allowed to import all their machinery all the time, affecting our exchange position, that is a bad policy. Plants and machinery ought to be allowed to be copied as all other countries do. I am not making any original suggestion. This is being done in all other countries which are committed to expand their industries. I hope this point will be borne in mind by the Select Committee.

Then, Sir, there are a number of industries whose products we could export. Those industries are being discouraged. The other day, it was pointed out by Mr. T. T. Krishnamachari, that cosmetics and other perfumeries are being imported to a great extent. Large quantities of perfumeries and cosmetics are manufactured in India and there are a number of small scale industries, worked by power and by hand, engaged in these articles. There is a great demand for these articles in South and East Asia. Why should they not be encouraged? Should they not be encouraged because

[Shri Sidhva]

they are cosmetics and face powder? Some people want to use face powder. Why should we stand in their way? There is a field for these articles. Why should the manufacturers suffer? I might only say that Japan manufactured and exported face powder to the value of 8,99,245 yen; they exported toilets to the value of 15,32,012 yen. I do feel that our toilet articles are not as superior in quality as the foreign ones; but they are good in quality. As I said, there is a market for these articles. Why should they not be allowed to flourish? We can earn foreign exchange and also relieve unemployment to some extent.

Then, Sir, we know that for running any kind of industry, lubricants is a great factor.

Shri Karmarkar: If I may interrupt, Sir, I have no objection to these discussions, but has lubrication anything to do with the Tariff Commission?

Pandit Thakur Das Bhargava (Punjab): May I enquire, Sir, if the Select Committee has to go into the details of the various articles which have been suggested?

Mr. Speaker: I was just trying to listen to see where the argument of the hon. Member is being driven at. I thought he was illustrating the points which the Tariff Board should really speaking, take into consideration, and the view point with which the Government should instruct the Tariff Board in regard to their policy of protection. He has sufficiently made that point. He need not go further into the details. I think Members may rely that those, for whose benefit these arguments are advanced, will have enough intelligence to grasp the points involved. They need not be dilated upon. His point seems to me to be this: in having the provisions which give the Government the power to make a reference to the Tariff Commission, Government should bear in mind the particular fact that it is no use having a particular industry encouraged by import of foreign machinery, but the Government should take steps for, and have an eye to encouraging that industry which manufactures the machines which are necessary for running those industries. That is the particular point. He need not illustrate it now by going through every industry. Otherwise, it will be an endless discussion.

Shri Sidhva: Thank you very much. If my hon. friend Pandit Thakur Das Bhargava has studied the Fiscal Commission's report he would not have interrupted.

Pandit Thakur Das Bhargava: I have not only studied that.....

Mr. Speaker: Order, order. The point is, the Fiscal Commission's report is not before the House for discussion.

Shri Sidhva: This is the outcome of that report.

Mr. Speaker: May be. If I were to give a syllogism like that (*Interruption*). Will the hon. Member hear? If I were to give a parallel instance and say that this Bill has come before the Parliament which is the outcome of the Constituent Assembly, and therefore all the provisions of the Constitution are open for discussion here, because the House is the outcome of that and the Bill has to be considered by the House, it is perhaps too wide of the mark. We may confine ourselves to the particular measure before the House. The Fiscal Commission report is not before the House. I think it is coming before the House; I do not know; it may or may not. The salient points may just be mentioned. Otherwise, we will have to go on endlessly for months and months together.

Shri Sidhva: The very Statement of Objects and Reasons here says that.....

Mr. Speaker: Whatever that may be, he need not dwell any further on a point which as I have said, has been fully dealt with by him. Otherwise I shall have to say that the hon. Member is irrelevant in what he says now.

Shri Sidhva: What I say now is that unless you deal with lubricants in this connection the protection that you seek to give to all the other industries will not work; they will all fail unless they have sufficient lubricants.

Mr. Speaker: That the hon. Member has already made clear.

Shri Sidhva: No, Sir. This is the first time that I am raising this point regarding lubricants. And nobody else had raised it. This is my original point—original in the sense that nobody else had raised it previously.

Mr. Speaker: Nobody doubts the originality of the hon. Member. The only complaint is that he is repeating his own arguments.

Pandit Thakur Das Bhargava: And he thinks that he is the only person who has read the Report of the Fiscal Commission.

Shri Sidhva: I have not said that.

Mr. Speaker: Let us not go further into this matter. He was not addressing any particular Member. All remarks are addressed to the Chair.

Shri Sidhva: Every Member of the Select Committee has to read the report and if they have not done so, they should, in the interests of the industries concerned and the country. All this discussion here is to enable the Members of the Select Committee to know what are the points to be considered and the objects to be aimed at and so on. You have rightly laid down the healthy convention that the Members of the Select Committee need not take part in the discussion, but they should be present and listen to the observations made here. They may accept whatever they feel like accepting, but that is another matter. As I said, this convention that you have laid down, Sir is a healthy convention and nobody should take it ill if anybody says anything about this subject. I am saying the right thing according to me and it may be agreeable to some and it may not be agreeable to others.

Well, Sir, regarding the number of members on the Tariff Commission it has been stated that the number should be raised from four to six. But I do not agree with this suggestion. Anyway, power has been left with the Government to increase the number by two if and when the necessity for that is felt. This arrangement should suffice. But it should not be governed by any consideration of economy, because we are going to have this permanent body for dealing with all the industries of our country and this is a very important subject and the work of the Commission should not suffer because the membership is restricted due to considerations of economy.

[MR. DEPUTY-SPEAKER *in the Chair.*]

I do not say that the number should be straightaway increased to six. This increase can be effected if the necessity is felt at any time. I would however suggest that two separate benches may be constituted from among the members of the Tariff Commission, the benches to consist of two members to begin with. One bench could deal with the industries to which protection has already been granted, seeing whether the protection is being utilised on the right lines, whether the quality has been improved, or whether proper steps are being taken to effect this improvement in the quality, whether within the period allowed the industry is increasing its efficiency in all directions and so on. The other bench may deal with fresh applications for protection.

Regarding the pay of the members of the Tariff Commission, it has been than Rs. 500 per month. I am not a faddist. I once believed in this, but now Rs. 500 really means only Rs. 100 and so I agree to the salary of Rs. 3,000 proposed. This actually comes only to about Rs. 1,000 and odd at the present value of the rupee.

Another point that I would urge upon the Commission is to keep the view point of the consumers also before them. The Fiscal Commission has rightly given great attention to this aspect of the problem. The consumers have all along been bearing the burden, because the industrialists have all along been making money for their own use. Protection has to be given to the industries in the general interests of the country and in the interests of the industries, and also in the interests of the consumers. The interests of the consumers should not be lost sight of when considering the other interests. We have to increase the customs duties and other duties and the consumers have to pay higher and higher. It is but proper that their interests are given due consideration. Otherwise the very fundamental aim of the Commission will be frustrated.

Even if protection is given to an industry, there should be a spirit of co-operation among all those engaged in that industry. They say in foreign countries there is a kind of co-operation and impetus on the part of the workers and all concerned to increase production and increase the efficiency of the industry, and that attitude is rather lacking in our country. I would urge the workers also to exert themselves to improve conditions here, and bring about self-sufficiency. If that is done, I do anticipate that in ten years India will be a country of which not only we shall be proud but we shall be the envy of other countries in the world. We should be self-sufficient. Take for instance the sugar industry. The industry can become self-sufficient, but still the protection is being continued in the name of revenue duty. They have got the machinery to reach self-sufficiency, but still production has not reached the full capacity, I believe that they can produce to a total of 13 lakhs. The new scheme of Mr. Munshi has raised the figure from 10 lakhs to 11 lakhs, still it has not reached the maximum of 13 lakhs. The industrialists always want some inducement or other to be given to them, otherwise they do not produce to the full capacity. This inducement we are prepared to give, but.....

Pandit Thakur Das Bhargava: The

Shri Sidhva: No, there is enough of the raw material. It has only to be properly distributed between sugar and *gur* and this it is the work of the Government to do and it is not for me to say how. What I say is that there is enough raw material available and we can be self-sufficient in sugar provided the industrialists also act in a patriotic spirit and safeguard the interests of the country as a whole. I hope that this aspect of the question will be borne in mind and Government will see to it that the prices are brought down.

Similarly, with regard to the cement industry, though India is more or less self-sufficient, we are still importing cement from foreign countries. I do not know exactly what the price of foreign cement is.....

Shri Goenka: Now cement is being exported from India.

Shri Sidhva: That is very good. I suggest that the factories should utilise their full capacity.

These are some of the salient points which I want to bring to the notice of the Members of the Select Committee.

Without meaning any disrespect to the Members of the Select Committee, may I point out that there are three members of the Fiscal Commission whose knowledge and experience will be useful to the Select Committee. Two of them are yourself, Sir, and Mr. Khandubhai Desai. Unless you, Sir, had declined to serve on the Commission your presence there would have been very helpful to the Select Committee. I do not know whether both of you did not desire to serve on the Committee but if you had agreed, you would be doing a distinct service with your knowledge and experience, without meaning any flattery or exaggeration.

Mr. Deputy-Speaker: Their report is in the hands of the Members of the Select Committee.

Shri Sidhva: But their experience would have been very valuable in the Select Committee. But now you and Mr. Khandubhai Desai will give your views and move your amendments when the report of the Select Committee comes before the House. I would have welcomed the inclusion of one of them at least in the Select Committee, so that their experience and knowledge would be utilised in the Committee and a good report produced. (*Interruption*) I do not want to move an amendment. That is the business of the Chief Whip. I am only making a

There is just one point more and that is with reference to clause 12 (a) which reads:

> "The Central Government may also refer to the Commission for inquiry and report any matter relating to—
>
> (a) the effect of protective tariffs and subsidies on—
>
> (i) the general level of prices in the country,
>
> (ii) the cost of living of any specified class of people,
>
> (iii) the different sectors of the country's economy."

I consider this a very important part of the Bill. Our industries will not improve unless greater thought is given by the Commission to this clause. The intention of the Government is clear and it should not remain merely on paper. Government should take action simultaneously with the industries which ask for protection. As far as I am aware there are about 65 industries enjoying protection. There are more or less small industries and there are big industries. They should take the list of both of them together and see how far the protection given to them should be continued, whether they are in a position to stand on their own legs and also whether prices could be brought down. If these points are borne in mind by the Tariff Commission they will render a distinct service to the industries of this country, not only in the matter of their expansion but also in regard to improving the existing industries. I hope this Commission when appointed will not merely harp on giving protection for indefinite period. I have given the illustration of one or two industries to which we have given protection for a decade or two without any result or benefit to the country. If these points are borne in mind I am sure when the Bill comes out of the Select Committee it will have an easy passage in the House.

I do not want to touch on cottage industries, because I suppose that cannot be dealt with in a general way here.

There is one point about the iron and steel industry which I would like to mention. The Government had prepared a big scheme to start two iron and steel factories costing over Rs. 100 crores. But for want of funds I understand that the scheme has been shelved or at any rate they will not be taken on hand at present. The industries that will be coming into being hereafter will need as their raw

present it is very difficult to import iron and steel from abroad. We will not be able to import even half the quantity which we used to previously on account of the threat of war and the stock-piling going on. If the Government could invest large sums of money in this scheme, as they are doing in the case of the river valley projects, it would be helpful for producing raw material. But if they are not able to start even one factory they must at least find a way to help the existing factories like Tatas. This factory, which was started by Sir Dorabjee Tata, is producing the largest quantity of steel. We have given 7 crores for the expansion of this factory. There is also Jessops in Calcutta. If by giving them a certain amount of money, say a few crores, they are in a position to increase their production of steel, would it not be desirable on the part of the Government to consider it? I would request Government to bear this in mind.

When I came to this House I came with a great deal of zeal for the nationalization of our industries. Now I have given that up. (*An hon. Member*: Why?) Because I want to be realistic and not idealistic. The Government have not the money and they are not prepared for nationalisation. They may take credit for a mixed economy but I have come to realise that for some years to come we have to depend on private enterprise, whether we like it or not. Iron and steel are going to play a prominent part in the expansion of our industries. And if you are able to give money to the existing factories and thus increase their production, I would welcome such a move.

Sir, I support wholeheartedly the Bill.

Shri R. K. Chaudhuri *rose*—

Mr. Deputy-Speaker: I am calling Shrimati Renuka Ray.

Shrimati Renuka Ray (West Bengal): Sir, while we naturally have to accept a policy of mixed economy for the present.....

Mr. Deputy-Speaker: Order, order. The hon. Member may resume her seat. The principle of the Bill has been accepted and there is unanimity on that. We have already spent a day on the discussion and the Bill is only being referred to the Select Committee and will come up again before the House, when Members will have opportunities to speak. There are also a few more Members who are anxious to speak. So I would suggest that the points only may be stated as to how the Bill could be improved. Where a particular point needs elaboration they may do so. But this is only a suggestion to Members who want to participate in the debate, so that a larger number of them can have an opportunity to speak.

Shrimati Renuka Ray: Sir, I do not want to take more than fifteen minutes.

While we have to accept a policy of mixed economy due to the fact that we have not as yet built up an adequate machinery for developing our State sector as we had hoped, naturally we have to see that the indigenous industries in the country are protected and private enterprise in this direction is helped. But we must also bear in mind that we had a very bitter experience in the past of private enterprise helped by protection. While I welcome the establishment of the Tariff Commission, I want to make some specific suggestions to the Select Committee in regard to this matter. As I said, we have seen that although so many industries have had protection there seems to have been very little evidence of improvement either in quality or in regard to prices, and the consumers' interests, as some hon. Members have pointed out, have not been taken into consideration. I am very glad that the hon. Minister laid stress and emphasis on this point which has been referred to by the Fiscal Commission also. The hon. Minister said that it is necessary that even mixed economy must be a planned economy and that there must be some regulation and control of industries.

While the functions of the Tariff Commission with regard to the above point are enumerated in the Bill, there is one matter about which I feel very diffident indeed. Clause 5 of the Bill lays down the disqualifications for membership of this Commission. I would like to draw the attention particularly of the Members of the Select Committee, to sub-clause (b) of clause 5 which says:

> "Has directly or indirectly any such financial or commercial interest in any industry or undertaking as is likely to affect him in the discharge of his duties as a member of the Commission."

This is very vague. It leaves a very great loophole. I do not think any industry that is going to get protection should have any representative on the Tariff Commission. I do understand that it will be necessary to have in the Commission men with experience of business and industry,

[Shrimati Renuka Ray]

representative of an industry which is seeking protection being on the Commission. If we do not do at least this much, I do not think even the purpose with which the hon. Minister has brought forward this Bill can possibly be served. I would ask the Select Committee to bear this point in mind and to change sub-clause (b) in such a manner as to lay down beyond any shadow of doubt that no one who has any interest, financial or commercial, in the industry that is claiming protection shall have any chance of being on the Tariff Commission. That should be laid down so specifically that there can be no loophole left.

My next point is this. There has been some discussion this morning in regard to cottage and small-scale industries and the hon. Speaker has laid down that these may be beyond the scope of the Bill. I want to face this matter from a different viewpoint. One of the functions of the Tariff Commission is to recommend the grant of subsidies. The claim of this Government, of this Congress Government, repeated again during the last Congress session at Nasik, has been that their objective is a co-operative commonwealth in this country. I say, Sir, that it is essential to incorporate in this Tariff Commission Bill some clause whereby industries run on a co-operative basis are given a definite priority over any other industry; that if industries are run on a co-operative basis subsidies to such industries and protection to such industries must get a prior claim than any other industries. That, I hope, the Select Committee will take into account. It is no use for us to go on talking about the economic pattern of society that we want to bring about or even saying that we will work towards it but are not able to do so because practical conditions do not exist. Practical conditions can never exist unless we take the first step in the matter, and this, Sir, would be the first step. Therefore, I would suggest to the Select Committee and to the hon. Minister and his Deputy that in this Bill must be laid down specifically that co-operative industries must get subsidies and protection before any other industry gets them.

I do not want to take any more time of the House. I have made both the points I wanted to make—I do not want to go into details of any particular industry as the last speaker has done. I only hope that the Select Committee will at least take these two points into consideration very seriously, because they are fundamentally important. While I support the Tariff Commission Bill I can only do so if such major points are included in it. If they are not I say, sir, that the very purpose of the Bill will be defeated, first, by not having the proper personnel on the Commission and then by not taking into account the great needs of the co-operative industry in the country.

Pandit M. B. Bhargava (Ajmer): I rise to give my wholehearted support to this measure which I consider to be of immense importance and a land-mark in the history of industrialisation in this country. This Bill aims at setting up statutorily a permanent machinery for according protection to those industries of our country which stand in need of it. This country which is so very rich in all its resources was at one time of its history at the pinnacle of glory, not in the production of raw materials but in manufacture of finished goods, but the continuous foreign rule for centuries ruined all its industries with the result that the country has been brought down from that height of industrial glory. For centuries our production, though it was more or less of the cottage industry type, commanded markets throughout the world. We know what steps were taken by our foreign rulers to discourage our home industries and to raise the protective tariff walls in their own country to make it industrially sound. We know how our weavers were tyrannised: it is a matter of history and needs no repetition here. Therefore, this country which has been under the heel of the foreigner for centuries has now to begin its life afresh and to rejuvenate and renovate its ruined industries. I therefore regard this measure which is the first constructive attempt on the part of Government to bring industry on a sound footing, as a great land-mark in the history of industrialisation. For years this country, and the Government which was at the helm of its affairs believed in unrestricted foreign trade. It was only during World War I that the then Government thought for the first time—not in the interest of this country but for its own sake—that some step must be taken in this country towards industrialisation. An Industrial Commission was appointed in 1916. It apparently had nothing to do with the tariff policy, but for the first time it concentrated attention on the sphere and domain of the development of industries in the country. Times were changing. There was awakening of political consciousness amongst the masses. With the August Declaration of 1917, there was a cry for the grant of fiscal autonomy and for the first

Convention of 1921. In 1923, the first Fiscal Commission was appointed and subsequently the Government of the day appointed *ad hoc*. Tariff Boards from time to time which laid down the principles of protection and made enquiries as to which of the industries required to be protected. But we must keep in mind that it was still the foreign Government that was at the helm of affairs, and the terms of reference of these *ad hoc* Tariff Boards were very limited in their character. For example, before any industry could be considered to be entitled for the grant of protection, it was essential that there should be abundant natural resources for that industry available in the country itself. There should be a local market for its produce. There should be real potentialities for its development and its development at a rapid pace. Even then, the protection was afforded only for limited periods and that too only in cases where a certain industry could stand foreign competition. These were the limitations, but even in this limited sphere we have several illustrations which show that the Government of that day never accepted the recommendations of these Tariff Boards when they clashed with the interests of foreign capitalists, particularly British capitalists, in this country. In 1928, the Government refused to grant any protection to the locomotive manufacturing industry on the lame excuse that there was no market for it in India. We know how crores and crores of rupees had to be spent for buying locomotives outside the country, and even today we are importing these locomotives from abroad. Similarly, when the non-worsted sector of the woollen industry applied for protection, they were not joined by the foreign manufacturers, i.e. the Cawnpore Mills and the New Egerton Mills, and although the Tariff Board recommended that from all points of view the Indian industry required to be protected, that recommendation was not accepted on the sole ground that the other persons concerned did not join in this application. Thus, we see that when these Tariff Boards were appointed for the first time, they functioned in a very halting and indecisive manner and they were intended only for the protection of the interests of foreign capitalists and not for the development of indigenous industries.

Then came the war. From 1939 up to 1945, the policy of the Government was to maintain the protection already afforded by giving fresh lease of life to the Protective Duties (Continuation) Acts. It was in November 1945 that the then Government appointed an *ad interim* Tariff Board which, with extended life, is still working and which Tariff Board is sought to be replaced by the Tariff Commission envisaged in this piece of legislation.

This Bill incorporates very important provisions, which fall into three categories. Firstly, Chapter II deals with the establishment of the Commission; its personnel and constitution; the qualifications of the Members and the Chairman and also the terms of office and tenure of service of the Members and the Chairman. The second part, which is the very soul of this legislation, deals with the functions and duties of this Commission and these latter are incorporated in Clauses 11 to 16 of the Bill. The third part of the Bill is more or less of a routine and procedural character, but it deals with certain powers with which the Commission will be invested in the discharge of the functions envisaged in Clauses 11 to 16.

The first point we have to consider is about the constitution of this machinery. The Fiscal Commision, the report of which is the basis for this Bill, envisaged that the Commission should consist of at least five persons and this number is now likely to be raised to seven by Government. Some criticism has been made that Clause 3 of this Bill lays down that the maximum strength of the Commission should be only four and that there is provision whereby it will be open to Government to appoint two additional part-time Members with certain terms and conditions. But the question is that Clause 6 of this Bill lays down something which is of a very essential nature in respect of the personnel and constitution of this Commission. It says that the persons who will act as Members of this Commission will be for a period of three years to begin with and at the end of the three years they will be eligible to be further appointed for another three years. Then there is a guarantee that the persons concerned will not engage themselves in any private commercial undertaking for three years after their discharge from membership. This is a very important and salient principle. If the Government's point of view is that the strength of this Commission should normally be three or four, with additional Members who may off and on be engaged and their services availed of, then I would respectfully submit for the consideration of the Select Committee that, keeping in view the provisions of Section 6 of the Bill—and the principle embodied there is a very essential and inviolable one, which should not be done away with—it will be impossible to secure the

[Pandit M. B Bhargava]

services of temporary hands and even if they are available, they will not be in a position to give an undertaking that after their services have been dispensed with they will not engage themselves anywhere for a period of three years. My submission therefore is that in the interests of the purity of the administration and the achievement of the purpose we have in view,—*i.e.* a Member should not be able to take undue advantage of the position after his discharge from the service and lend the resources at his disposal for the benefit of a private person,—keeping that in mind, I would suggest that this sort of temporary membership should be dispensed with and the strength of the Commission should be raised to at least five, with of course the option that it may be increased if in the interests of the efficient and expeditious despatch of the work it is necessary to do so. This is one suggestion that I would like to make.

The second suggestion which I would like to make to the Select Committee is this. Suppose a man works for six years and then his services are dispensed with. Of course, he has given an undertaking that he will not get employed in any private concern. Suppose he goes back upon his undertaking—what can Government do?

Shri Sidhva: That will only disgrace him.

Pandit M. B. Bhargava: I think merely leaving it there should not be sufficient. There must be some penal clause attached to the Bill. If a person goes back upon a solemn undertaking that he has given, Government should be empowered to take sufficient steps against him.

Mr. Deputy-Speaker: Does sub-clause (3) of clause 6 apply only to whole-time members?

Shri Goenka: It applies to both.

Pandit M. B. Bhargava: That is why I have been arguing that you should do away with the question of temporary employment altogether. In fact no temporary hand will be available if such an undertaking is made a condition precedent to his employment. Hence I have suggested that the category of temporary members should go and secondly there must be sufficient guarantee within the four corners of the Bill itself to enforce an undertaking given by a member.

The most important clause of the Bill relates to the duties and functions of the Commission. In regard to this points have been made. The first point is: whether the protection of the cottage industries will be within the purview of this Act. The elucidation given by the hon. Deputy Minister did not clarify this matter to our satisfaction. I think, Sir, every industry, irrespective of its character—whether it is a cottage, or small scale, or medium scale, or large scale industry—is entitled to protection, provided it satisfies certain conditions. I think it will be for the Tariff Commission to consider.....

Mr. Deputy-Speaker: Is there anything in the Bill to restrict the scope of protection to only large scale industries? I think cottage industries are fully entitled to protection under this Bill.

Pandit M. B. Bhargava: I myself am of the opinion just expressed by you. But because this controversy has been raised on the floor of this House, as to whether the cottage industries would be within the purview of the activities of the Tariff Commission and if so to what extent, I wish to express my views on the subject.

I think, Sir, every cottage industry, as any other large scale industry is entitled to protection and it will be well within the activity of the Tariff Commission to make recommendations on that score, provided that that industry has an international market for its products. As our recent experience of the opening of show rooms for our cottage industry products in the world's important markets has shown, cottage industries can have an international market. It is natural that such an industry should be protected not only against competition from indigenous large scale industries, but also against foreign competition. All such facilities which can be given to any large-scale or medium scale industry can certainly be extended and must be extended for the protection of the cottage industries. Similarly, in respect of grant of subsidy, or protection by raising tariff duties, all these facilities must be open to the cottage industries, provided it has an international market or has the potentiality to enter the world market. I would like the Select Committee to see that this point is made clear and these industries are specifically brought within the purview of the Tariff Commission.

Mr. Deputy-Speaker: Why should an industry have international market for protection?

Pandit M. B. Bhargava: Not necessarily. I stand corrected on that score.

dustry of this character has a predominant right to preference at the hands of the Tariff Commission and of the Government.

Now, Sir, the second point upon which controversy has revolved is the question as to whether quantitative restriction on imports is, or is not a legitimate method for affording protection to an industry. Here, I want to be quite clear as to the purview, interpretation and construction of sub-clause (1)(a) of clause 11. As I read it, the clause is comprehensive in character. It says that protection may be afforded either in the shape of levy of protective duties, or in the shape of grant of subsidies or otherwise. The words "or otherwise" are comprehensive enough to include restriction on imports, or even total banning of imports.

The Minister of State for Transport and Railways (Shri Santhanam): Clause 11(1) (c) provides for "action to be taken in relation to the dumping of goods, etc.".

Pandit M. B. Bhargava: That is a different question altogether. My point is that sub-clause (a) by itself should be comprehensive—it should be open to the Tariff Commission to make a report of affording protection by a legitimate method; it will be for Government to consider the question of merits and arrive at a decision. The question of restriction or banning of imports is an exceptional course, which Government may not be ordinarily inclined to take. I concede that position.

11 A.M.

Mr. Deputy-Speaker: Even on Saturday the Minister said there are two circumstances under which quantitative restrictions may be imposed.

Pandit M. B. Bhargava: I think it is a very important method of protection and if the wording of clause 11(1)(a) is left as it is, after the enactment of this measure it may be argued in regard to its scope that the word "otherwise" is only to be construed *ex generis*, that is matters that are specified in the previous part of the clause. And it is susceptible to that interpretation. Therefore I would urge that it must be made quite clear that one of the acknowledged and recognised methods for affording protection to an industry will be the placing of restriction, and if necessary even banning of certain imports. In this connection certain very curious arguments were advanced from the floor of the House. One illustrious Member of the House went to the extent of saying that "this is taking us to medieval times". But may I in all humility ask whether India, even in this year 1951, is not in more or less medieval conditions so far as the development of its industries is concerned? My submission is that so far as the state of our industries is concerned we are no better than being in medieval times and our standard of law with respect to protection etc. cannot possibly stand comparison with the law on this point of advanced industrial countries like U.S.A. and U.K. If that is to be our standard we should wash our hands of protection and we will never be in a position to industrialise the country as we wish to. Therefore my submission is that the banning of imports and the placing of restrictions on quantitative imports for the purpose of protecting our own industry is an essential and indispensable thing and must be incorporated in the Bill if this clause is not susceptible of that interpretation.

I shall proceed further. One great argument against protection has always been that it is the consumer who suffers. I think the Government must adequately empower and arm the Tariff Commission to ward off any such contingency. I am quite satisfied about the provisions incorporated in this Bill which are wide enough and sufficient enough to empower and arm the Tariff Commission to take sufficient measures to protect the interests of the consumer. If you refer to clause 11(1)(d) it says that the Government may at any time call upon the Tariff Commission to submit its own report as to whether those who enjoy protection have behaved properly, and if they have not behaved properly then the protection can be withheld or any other step can be taken. Therefore it will be well within the powers of this Commission to consider this question on merits. But there is one thing that I wish to suggest. If you refer to the provisions of clause 13, while the scope of the *suo motu* enquiries has been allowed in respect of sub-clauses (b) and (c) of clause 11(1) and sub-clauses (a), (b) and (c) of clause 12, sub-clauses (a) and (d) have not been included in the purview of the jurisdiction of the Tariff Commission to make *suo motu* enquiries. My submission is that when certain industries are absolutely unorganised, when they are not in a position to have their voice felt, it should be open to the Commission *suo motu* to take up the question of any industry which it is in the national interest to develop and to enter into that question, not at the instance of a particular interested party only but at its own initiative. And this is barred by clause 13

[Pandit M. B. Bhargava]

Similarly it should be open to the Commission at its own motion to enter into the question at any time as to whether certain protected industries and those who are enjoying protection are behaving properly and, if not, what steps should be taken by Government to amply safeguard and protect the interests of the consumer. My submission is that in clause 13 the *suo motu* field of enquiries of the Commission should be extended to sub-clauses (a) and (d) of clause 11 also.

I was dealing with the question of the interests of the consumers. Similarly a very important and healthy provision has been incorporated in sub-clause (3) of clause 14, where the Tariff Commission will be empowered to lay down certain conditions, either before an industry has begun to enjoy protection or after the protection is availed of, which shall be fulfilled. These relate to the scale of production, the quality of production, the price of the products, training and education of certain technical personnel, technological aspects of the question and other things like that. I think it is a healthy provision and the Tariff Commission should not ignore its duties as far as this matter is concerned. Before a recommendation for protection is made it should enter into this question elaborately and lay down specific conditions to be fulfilled by an industry enjoying the privilege of protection at the initial or subsequent stages.

But the most important and healthy provision of this Bill is what is incorporated in clause 15 which lays it down as a duty on this Tariff Commission to keep a constant watch on all the protected industries and at specified intervals to enter into the question and see how far these protective measures have resulted in the development of the industry, how far the industrialists have behaved, whether Government should review the question of its protection, whether the scale of duties should be lowered and whether it will be in the interests of the consumer to continue the protection. Therefore my submission is that this Bill within its four corners incorporates very ample and comprehensive provisions for the protection of the consumer.

But before I proceed further I want to know what is the intention of the Government on a very material point concerning tariff policy. For example take the question of the Havana Charter. Take the question of the Imperial Preference. I want to know whether it will be within the powers and functions of the Commission and whether it will be a normal function of this Commission to enter into these questions. If it is not, I respectfully submit to Government and through it to the Select Committee that it should enter into this question and it should be made incumbent upon the Government that these agreements and agreements of a similar nature which will have a great effect on protective tariff duties and other such questions must be referred to this Commission.

Mr. Deputy-Speaker: The hon. Member is referring to clause 12(b).

Pandit M. B. Bhargava: As far as I read clause 12(b), it is of a very limited character. It only says that in respect of those industries which have applied for protection the question of international or trade agreements may be considered and discussed. This is a statutory commission, a commission of technical personnel who will have specialised knowledge on this subject and before the Government enter into any international agreement, bilateral or otherwise, with other nations of the world which will effectively have effect on our commercial and industrial policy, that agreement, must, as a matter of course be referred to this expert body for opinion. Of course, its suggestions will be of a more or less recommendatory character and similarly, the views of this Commission on this subject will be for the guidance of the Government. My point is that the Government should not take any decision in matters of this character until and unless it has before it the guidance of this expert body.

Now I come to the question of the Havana Charter. This question has been considered in detail by the Fiscal Commission and the majority has come to the conclusion.....

Mr. Deputy-Speaker: Would the hon. Member like to have facts on each specified industry or industries as a whole?

Pandit M. B. Bhargava: My suggestion is that one of the functions of the Commission as envisaged in clause 11 should further be amplified by the addition of a new clause, namely, that all such agreements which the Government of India would enter upon must be referred to the statutory commission for its opinion before they are finally accepted, ratified or confirmed by the Government of India. The reason for this is that it is an expert body; it is a body which will be dealing with such matters on the

will have a well equipped technical personnel at its disposal to avail of and to pronounce such an opinion. It will consist of persons who will be well versed in matters of industry and commerce. This is one of the conditions of appointment for membership. Consequently my submission is that the Government should think and the Select Committee should think why a particular clause to that effect be not added amongst the normal and ordinary functions of this Commission. Without such a clause, I submit it will be greatly hampering and restricting the activities and recommendations of the Tariff Board. Take the case of the Havana Charter. It is not today within the functions of this Commission. The Government will not be bound to refer this question of Havana Charter before it ratifies the opinion of this Commission. It is an essential matter. Suppose the Government ratifies that. The decision of the Government of India will have a great effect upon the day to day working of the Tariff Commission as also upon matters that will come for decision before the Tariff Commission. Now, Sir, the Fiscal Commission and its majority have recommended that this Havana Charter may be ratified. Though it is not an occasion for me to enter into the question as to the merits of this proposition, I think it my duty that the view expressed by the majority is entitled to the greatest respect at our hands but still it is a view which must be accepted with the greatest caution. We are an exceptionally under-developed industrial country and we have to see what advantage we are likely to have by ratifying the Havana Charter. It presupposes the question of the regimentation of all domestic economics under the guidance of an international trade organization. I submit that this international trade organization will be bound to be dominated by vested interests, by those countries which are at the pinnacle of their industrial glory today and their interests are in direct conflict with our interests as an under-developed country (*hear, hear*). They will naturally be interested in stabilizing the existing pattern of industrialization in the world, so that the markets which have been the markets for their products for so many centuries may be preserved for them in future. It has been stated by the majority of the Fiscal Commission that our being a party to this Havana Charter will necessarily imply surrender of our commercial and fiscal autonomy to the jurisdiction of an international tribunal and we have to see whether such a surrender of our fiscal autonomy in such an under-develop-

the best interests of the country. Sir, what is the positive gain that we are likely to have by entering into an agreement or by ratifying this Havana Charter? Is there any guarantee that the international trade organization will afford chances, facilities and resources for the development of the under-developed countries? There is no such guarantee; there is no guarantee given by the international trade organization to arrange for the inflow of foreign capital within our four corners; there is no guarantee for making the technical personnel available to us; there is no guarantee for making available capital goods to us. If there is no such guarantee I think that it will not be in the interests of the country to ratify the Havana Charter and my submission is that it should be the normal duty and function of the Tariff Commission that all such questions must necessarily be referred to the Tariff Commission for its consideration, discussion and recommendation and it is only after going through the views of the Tariff Commission that the Government should take a decision whether it is to act in a particular manner or not. Similar is the question of Imperial Preference. I ask a specific question of my hon. friend, the sponsor of the Bill. Will it be incumbent hereafter for the Government to inquire about the views of this commission on this important matter? Now, this Imperial Preference has been before this country for a number of years, from 1932 up to the present time. But, the policy of the Government has not changed in that respect. I say it is a humiliation, a stigma on our commercial autonomy and the sooner it is brought to an end the better it would be in the national interests of the country and the Government envisage the setting up of this statutory expert body for the purpose but Government does not make any provision to that effect. Before Government decides as to what it should do in respect of the Indo-British trade pact of 1939 and onwards, which perpetuates this preference in favour of U.K. and other Dominion countries, our dignity and our self-respect requires that this Imperial Preference should be brought to an end and I think the guidance of the statutory commission should be...

Mr. Deputy-Speaker: Is not the hon. Member straying away from the legitimate object of the Bill. While it is certainly open to him to say that the functions of the Board ought to be enlarged, it must be open to the Government to refer to many other kin-

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refer to the Havana Charter, trade agreements, Imperial Preference, etc. but he should not go into further details.

Pandit M. B. Bhargava: I took the liberty to refer because the hon. Deputy Minister in one of his speeches very recently on the floor of this House had remarked that it will be open to the House to enter into details in respect of this question when the Tariff Commission came up for discussion and that is why I made a reference to this. We have a very strong feeling of finishing and doing away with this Imperial Preference and I think that the hon. Minister will take note of it.

Then the third part of this Bill is in respect of the powers to be enjoyed by the Commission. I am glad that there is a provision in this Bill that all the sittings of this Tariff Commission will be open to the public except in very exceptional circumstances. It is very necessary, it is very essential. So far as the powers of the Commission are concerned, we must arm them with adequate powers. The clause which deals with these powers is clause 20 of the Bill. There are several sub-clauses to this clause. I take very strong exception to sub-clause (3) of clause 20 and I would commend this for the consideration of the Select Committee. In clause (1) we have said that the Tariff Commission, making an enquiry, will be a civil court within the meaning of the Civil Procedure Code, and consequently will have full powers in respect of the summoning of witnesses, discovery and production of evidence, examination of witnesses on commission, etc. Then, we have got sub-clause (2) to the effect that it will be open to the Commission to call on any person to give any information. In sub-clause (4) it is said that this Commission while holding an enquiry will be a civil court within the meaning of sections 480 and 482 of the Code of Criminal Procedure and it is further laid down in sub-clause (4) that it will be a judicial enquiry within the meaning of sections 193 and 228 of the Indian Penal Code. That is to say, the meaning of sub-clause (4) is that if a person does not produce a required document, or required books of account before the Commission, then, under sections 480 and 482 of the Criminal Procedure Code and 228 of the Indian Penal Code, the Tariff Commission will be competent not only to enforce the attendance of the person by even confining

tain facts before the court or for insult or contempt of court. Consequently, the provisions which are incorporated in sub-clause (4) are very wide and are a sufficient guarantee against any person or industry taking up an evasive attitude. Consequently I would urge on the Government and the Select Committee that sub-clause (3) which says that it will be open to the Commission or any of its agents to enter into any premises at any time and take hold of any documents which it suspects to contain any information, and seize them or take copies of them, confers very exceptional powers, and they are likely to scare the people. Therefore, my submission is that these powers are not essential and they should be deleted.

Before I conclude, I must necessarily congratulate the hon. Sponsor of the Bill because it is one of the few measures which have been carefully drafted. He is also to be congratulated because this Bill has so quickly followed the report of the Fiscal Commission, an expeditious procedure which is so uncommon with this Government. I hope that this Tariff Commission will be able to claim that historical role which it is bound to play in the expeditious development of the industries of our country. The partition has changed the entire pattern of our economy, and the pattern of our free trade and commerce. The only way out of the difficulties for this country is its rapid industrialisation, and in this rapid industrialisation, this Tariff Commission is bound to play a very important role. During the last week, this Parliament has enacted a few measures of far-reaching importance: for example the Bill establishing State Finance Corporations. The Planning Commission is on the verge of finalising its report, which will lay down in what way we have to progress towards the rapid industrialisation of the country. It will be for this Tariff Commission to act as an instrument for the execution of the policy which will be laid down by the Planning Commission and also, it will be for the State Finance Corporations along with the Industrial Finance Corporation to furnish the requisite finances to our prospective industries. If we progress in this manner, I am sure all our difficulties will be solved and the future of the country is certainly bright without doubt. With these words, I resume my seat.

Shri R. K. Chaudhuri (Assam): There is no doubt that we all welcome this legislation as it will bring into

to the Government what industries should receive protection, continue to receive protection, and so forth. I should like to lay emphasis on the fact that protection should not be made an excuse for giving to certain industries or certain concerns a monopoly and enable those monopolists to take an excessive price from the consumers, without at the same time improving their industry and bringing them on a par with other foreign industries. I should also like to add that mere protection would not be enough; but these industries should be under constant watch and they should also have the necessary finances in order to improve them. They should also have the benefit of getting technical advice so that the industries could be improved, and within a short time they may be able to compete with foreign products of a similar nature. I may be wrong; but I believe that this Bill does not make any provision for taking such steps as I have indicated. This Bill seeks to make the Tariff Board a permanent Board so to speak.

Several friends of mine, who are not well versed in laws of this kind, enquired of me why instead of calling it a Tariff Board, it has been called a Tariff Commission. I had no explanation to offer. But, I assured my hon. friends that this is a sort of thing which comes in cycles. For instance, such bodies which we had in 1948 were mostly called Committees. The bodies which came into being in 1949 and 1950 were called Boards, like the Tariff Board, the Tea Board, the Silk Board, Advisory Boards, this and that. In 1950 and 1951, these Commissions have come into existence. For instance, there is the Election Commission. There is the Finance Commission. There is also the Planning Commission. In 1950 and 1951 all such bodies will be called Commissions. I hope the hon. Minister will agree that that is a most reasonable explanation why this has been called a Tariff Commission instead of Tariff Board.

Shri Goenka: Is it not called Omission?

An Hon. Member: Next year, it will be.

Shri R. K. Chaudhuri: These are called Commissions.

There are other distinctive features also in this Bill. For instance, for the first time we find in this Bill a provision which disqualifies Members of Parliament. Members of Parliament have not been disqualified in any other Bill. If you are a Member of Parliament, you cannot be a Member of the Tariff Commission.

Mr. Deputy-Speaker: In the Reserve Bank Bill also.

Shri R. K. Chaudhuri: I can quite see the point. Because it is a whole time permanent membership, a Member of Parliament cannot be expected to become a member and so he may be disqualified.

Shri Goenka: There is part-time also.

Shri R. K. Chaudhuri: And there are other Commissions also where you have not made such specific disqualification in the case of Members of Parliament. For instance the Finance Commission will consist of members who will be whole-time members, and there you have not laid down that a Member of Parliament should not be a member. This point, therefore needs explaining. Some members of the public asked me why there has been this disqualification here. Is it because some hon. Members like my hon. friend Mr. Sidhva and my hon. friend Mr. Kamath constantly bring up inconvenient matters and put embarrassing questions to the Government so far as tariff matters are concerned? If that be so, I do not know why we should all be punished for the activities of two Members of the House.

Mr. Deputy-Speaker: If Members of Parliament also happen to be members of this Commission it will be embarrassing for hon. Members to criticise their own colleagues.

Shri Kamath (Madhya Pradesh): But all this is constructive criticism, Sir.

Shri R. K. Chaudhuri: I am only trying, in taking the brief on behalf of the Government to think of all sorts of reasonable explanations for these special features of the Bill. I do not think there is any legislation in any country of the world where a Member of Parliament as such is particularly disqualified from holding the membership of a commission like this.

Shri Karmarkar: There seems to be some misunderstanding. The reason is no Member of Parliament can hold an office of profit.

Shri R. K. Chaudhuri: That is quite well understood; but what about the other commissions that have been set up? There is no such disqualification in those commissions. My own feeling is this little point has evidently been overlooked.

Mr. Deputy-Speaker: If I may explain the position. In the Reserve

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Bank Act, for instance there is the provision that no Member of Parliament shall be a Director. That is because it is embarrassing for hon. Members to criticise the actions of their own colleagues. That is the case here also. This is a permanent Tariff Commission and we do not want anyone to say that so and so Member went out of his way and did so and so for this industry or that. Some industry might come up and the Member may support the case for protection and...

Shri Santhanam: And oppose it here?

Mr. Deputy-Speaker: No, no. What I mean to say, he cannot give independent criticism.

Shri R. K. Chaudhuri: That may be the excuse, and since you have put it, Sir, I cannot say anything about it. But if the Government had come out with that explanation, I would have considered it a lame excuse.

Be that as it may, coming to the Bill, as my hon. friend Pandit M. B. Bhargava has said, this commission will have to deal with all sorts of things and with the Civil Procedure Code, the Criminal Procedure Code, the Evidence Act and so on and so forth. It is also understood that this is going to be a quasi-judicial body but for the first time we find the qualification of a High Court Judge has not been laid down as the qualification for membership of this commission. This is rather surprising. You have laid down in the Finance Commission that persons qualified to be High Court Judges should be the members thereof. So also in the case of other commissions or tribunals. But here where you have a body which is stated to be of a quasi-judicial nature, you have not laid down this qualification I am not criticising the Government, Sir. I am only pointing out the distinctive features of the Bill, and this is a distinction that I have observed here. It has also been stated here that the additional members need not be parmanent members of the Commission, and even in their cases this qualification of being High Court Judges or being qualified to be such judges has not been laid down.

There is another matter to which I would very much like to invite the attention of the hon. Minister. There are certain goods that have been enjoying protection in our land for a pretty long time now, and the result has been that the consumers have been paying very high prices for these goods, and these goods have not improved in quality so as to compete with goods of foreign manufacture. How long are these goods to continue to enjoy this kind of protection? Take for instance wooden pencils. Wooden pencils, as we all know have been made in our country for a very long time now. But as we all again know, fortunately or unfortunately the pencils that have been supplied to us here are such that I have often thought that they should always be accompanied by a pen-knife. Otherwise it is almost impossible for us to use these pencils, they break off so often that you have got to be mending them constantly with a pen-knife, or a pen-cutter. So we would like to ask how long are we going to give protection to this industry which has not taken care of itself and improved the quality of its products?

The mere granting of protective duty would not do. The Government should set an example and use the goods manufactured in our own country. Take for instance fountain-pen inks which forms one of the items here. This ink is practically where it was ten years ago. I find that practically in every office "Quink" ink is being used and this ink has risen very much in price. So folk like us cannot buy this ink for our pens and we have to go in for other inks which clog the nibs. But when we go to the tables of any of the hon. Ministers or the Deputy Ministers or the Secretary, we get a fill for our pens, because they themselves always use this good "Quink" ink. If you scrutinise the supply which Government departments get, you will find that most of the fountain-pen ink which Government supplies is this Quink ink. But as this ink is very costly, we have to go in for inferior qualities of inks made in our country and these never seem to improve at all. Therefore, Sir, I repeat that merely giving protection would not be sufficient. You have to see at the same time that the industries which have received this protection are really taking active and earnest steps to improve the quality of their products so that the consumers may not have to suffer for an indefinite period and pay higher prices on account of this protective duty.

These are the few points which I wanted to bring to the notice of the hon. Ministers for their consideration.

Shri Sarangdhar Das (Orissa): On a previous occasion I said that I did not agree with the principle of granting protection. I wish to qualify that now and say that to protection as it stands now in principle I am opposed.

But if the protection is scientific and if the objects for which protection is given are clearly defined and understood, then it is very necessary to have protection so as to develop industries in the country and supply the requirements of the people for which they at present depend on imports from foreign countries. With this view, I wish to make a few suggestions. I am not going to indulge in any carping criticism. My suggestions are rather constructive, because I have had experience of several industries as a worker and as a technical man and also as manager. My first suggestion is that at least one or two members of the Commission should be men of vast technical experience. The clause speaks of administrative and executive experience but it should be specified that at least one or two men with technical experience should be there in order to judge whether an industry is progressing in its efficiency and in lowering the cost of production. There are engineering, chemical and other technical matters which have to be considered and only a man with technical experience can help the commission in assessing the value of the work of any particular industry.

My impression has been gathered from the way in which the sugar industry has been handled by the previous Tariff Boards. During the last two decades there have been two or three Tariff Boards which considered the question of protection to the sugar industry and yet the root of the trouble in the industry has not been discovered. One hon. Member condemned the industry, but I would say that the root of the trouble is the raw material we have in India. The technical personnel in the sugar industry in the beginning consisted of some English and Dutch technical men but since then the Indian chemists have done the best that could be done under the circumstances. The quality of the sugarcane crushed in the factories is of a very low order and the largest possible quantity of sugar is taken out. But the fact remains that the price of sugar is very exorbitant and if in the near future the revenue duties that exist now are taken off, the industry will absolutely collapse. Perhaps half a dozen of them may survive but the others will close down, because they have been located in the wrong area. The factories are in Northern India, where the climate is not fully tropical and climatic conditions will compel the factories to move to the tropical belt in Bengal, Orissa, Madras and Maharashtra. The Tariff Board has not been able to look into the trouble and protection has been given to the industry from time to time with the result the consumer has been paying heavily. Already hundreds of crores the consumer has paid to keep this white elephant alive in the country.

Mr. Deputy-Speaker: Has not protection been withdrawn?

Shri Sarangdhar Das: But the same quantum remains as revenue duty.

Mr. Deputy-Speaker: It is the subject matter of the other Bill for licensing of industries on which the Select Committee has reported.

Shri Goenka: That is in cold storage.

Shri Sarangdhar Das: The fact remains that the consumer is paying a high price and only the protective duty has been made into a revenue duty.

Therefore it is very necessary that there should be men of considerable technical experience on the Commission.

With regard to the later clauses the Commission has the power to determine whether an industry is entitled to protection or not. But I do not find any mention of labour anywhere. Labour is one of the biggest factors in producing any commodity. The Commission should find out whether the industry that is to be given protection will be able to give the best service conditions to labour and when protection is continued, they will have to find out from time to time whether the industry has made any progress in increasing efficiency or lowering the cost. But there is no mention of labour. At present in the sugar industry, where the consumer has paid so heavily to maintain the industry, labour is not adequately taken care of and the housing conditions in many of the sugar factories are deplorable. I therefore suggest to the Select Committee that the labour factor should be brought in.

Under clause 15 relating to the duties of the Commission it should be specifically laid down that if protection is given for a period of five years, there should be periodic reports, half-yearly or annual on a specified form to show how much the efficiency has increased in the various units of the industry, how far the labour conditions have been improved and by how much the cost has been lowered. By the lowering of cost I do not mean, as some hon. friends have suggested, that because the industry is established in India, the price of the product should be cheaper than those of

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foreign countries. I do not believe that will ever come under the present conditions of international trade. But the price should be competitive in the world market. If an American product can be obtained here at Re. 1, I see no reason why we should pay Rs. 1/4 for the Indian product, just because it is Indian. We were willing to pay Rs. 1/4 but that four annas should have been reduced in two or three years time and the price stabilised at the landed cost of the foreign product. The Commission is empowered to inquire into the established industries which are enjoying protection at such intervals as may be prescribed but it should be specified that such industries should submit half-yearly reports regarding the increase in efficiency, improvement in labour conditions, improvement in the quality of the product in comparison with the foreign product, etc. A report on these points should come to the Commission, periodically. Then they can determine whether progress is being made by the industry in consonance with the period of protection that has been given to it; if not, they can make an inquiry and give directions as to how the industry can improve its efficiency, for example, by importing newer apparatus and machines which are being used in the outside world; and in that way help the industry to come up to a high standard of production. This is very necessary. Without it, simply to examine the industry once in a while and to recommend that protection should be extended for another period of four or five years will never do any good. We are not advising protection so that the producer may be protected and the consumer mulcted of a lot of money—that will never do any good. Inasmuch as the consumer has to pay for such protection, the Commission must manage its investigations in such a way that the industry will be compelled to come up to the standard of production that will be necessary to keep the industry going when protection is withdrawn.

I have made these few points which I consider are very necessary. I do not wish to go into the matter of cottage industries and other questions which are being disputed, but at the same time I agree with what the previous speakers have said about cottage industries and I too think that there should be separate legislation brought forward very early to encourage and protect cottage industries. You, Sir, had remarked that there is no ban as regards cottage industries in this Bill, that is true. But I shall point out the difficult position of the cottage industries. There is a matting industry which makes mats for poor people to sleep on the floor—mostly found in Eastern India, that is Bengal and Orissa—which some time before the war was practically vanishing because cheaper Japanese mats with pictures painted on them came in and were sold at lower prices than the mats manufactured by this industry in Eastern India. Similarly, many other products of our cottages and villages are in danger of going out of business not only because of our mills producing similar articles but also because of cottage industries that exist in other countries like Japan and China. So, it will be necessary to protect these smaller industries against competition of cottage industries of other countries. In this connection I also wish to mention an incident, although it has nothing to do with the Bill. We speak so much about cottage industries, and the Ministers appoint cottage industries boards, committees etc. and open emporiums, but I learnt, in the Estimates Committee that at one time from America there was an order for something like one million curtains, our handloom woven curtains of different designs manufactured in the different states, but we could not supply them. We could not supply one million at one time. A few are exhibited in our High Commissioner's office in London and a few in Washington and New York, but when an order comes for a million or ten millions we cannot supply them. It is no excuse for the Government to say that the people engaged in this cottage industry could not supply that number. If we find that there is demand for such an article in America, we should so prepare the industry that within six or ten months we could supply that article in required quantities; but I do not see any attempt being made in that direction. Unless more active action is taken by Government to encourage cottage industries and to see to the marketing of their products, the cottage industries will never survive; when we go in for larger industries and mill-manufactured articles people also will lose faith in cottage industry products. I urge upon the Government to bring forward a comprehensive measure for the protection and improvement of cottage industries, a measure which will be separate from this Bill on the Tariff Commission.

12 NOON

Shri Jhunjhunwala (Bihar): You have rightly stated that the principle of this Bill has been unanimously accepted by the House and most of the relevant points have been made out and that no time of the House should

again and again. I shall follow your advice. One of the points on which I want to lay stress, and which is being disputed again and again by the Treasury Benches, is the question of cottage industries. Though you pointed out to them yesterday that there is provision in this Bill to take into consideration the cottage industries also, and the hon. the Deputy Minister realised it. Again there was a point raised by Mr. Sidhva today and the hon. Speaker who was in the Chair at the time said that the scope of the Bill is confined only to the consideration of protection to industries as against foreign industries, i.e. to give protection to the indigenous industries as against imported goods and the question of Cottage Industry does not come in here. The hon. Deputy Minister dittoed also this. Unless protection is given to indigenous industries, we shall not be able to develop industrially. I wholeheartedly support this proposition. I am not against it. When I speak of cottage industries, I do not for a moment think that our country should not be developed on the same lines as the other countries in the world. I want that every villager should have the same amenities that we sitting in this House have. Every villager should have these furnitures, fittings, houses and so on. The only thing is that their existing economy should not be disturbed and sacrificed before substitute arrangement is made. Before we give protection to any bigger industries, the first thing we should consider is that the materials which are at present being produced in our villages to meet the requirements of our villages and on which the economic life of the villagers rests are properly safeguarded. We should see that we have sufficient quantity of consumer goods to meet the necessities of all people in the country, and nothing is done merely in the interest of 10 per cent. of the people at the sacrifice of existing village economy, before making sure of some better substitute. I find that at present our attention is confined to the amenities and requirements of a portion of the population only, and we sacrifice existing necessary supply of the villagers and throw them out of employment without making any arrangement for their substitute requirements and employments. The other day my hon. friend Mr. Krishnamachari whom I regard as a great economist and who knows finance etc. and looks to the interests of the country and gives very good advice—he said the other day that we do not want to go to medieval age and the luxury of yesterday is the necessity of today and that the few articles which we import today and the few industries which we are starting for recreation and amenities of the people should not be grudged. I quite agree with him. I do not grudge them. But looking to the condition as it is today, and the circumstances under which we are placed, and over which we have no control if we want to develop our country on the same basis as other countries have done—industrially and otherwise—we do not have at our command all the necessary materials and we simply cannot do it with the speed we want. We have to depend upon others. So, at least during the transitional period, it may be that the necessities of yesterday may have to be regarded as the luxuries of today and for some time have to take to austerity to be squarely distributed.

I welcomed this Bill most heartily when I went through it, but when the Deputy Minister was speaking, he probably overlooked or gave scant attention to one point. I am referring to clause 12(a)(iii) in regard to the reference to the Commission of additional matters arising out of protection. Of the things mentioned there, one is the different sectors of the country's economy on which the Commission may enquire and report. Whenever we start new industries and give protection to them, this clause is always neglected. It should not be merely that the Central Government 'may' also refer, but they 'must' refer to this as one of the conditions under Clause 14. When the Fiscal Commission recommends that this Tariff Commission should take so many points into consideration, the different sectors of the country's economy must be one of the points that must be taken into consideration. The other day there was a question about the acquisition of the Vizagapatam Shipping Yard. When we had to pay Rs. two to three crores for acquiring it, one of the points we took into consideration was the unemployment of 4000 workers and for keeping them in employment we suffered a loss in view of the agitation that was carried on. In this connection, I would refer to the sugar industry. At the time of giving protection to it, did the Tariff Board consider as to how many men would be thrown out of employment as a result of the protection? But no attention was paid as there was no agitation. If I were to give figures, it will be characterised as vague generalisation. Therefore, I do not want to give the figures. But I wish to say that whenever such a matter comes up, all the other sections

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of the people who are thrown out of employment and whose economy is disturbed are thrown in the background, and their case is not taken into consideration and those who are loudest are attended to. When so many interests are combined together, we should also see what will be its effect on the consumer and on the people who are unemployed and for whom there is no other vocation. Just as at the time of taking over the Vizagapatam Shipping Yard we took the interests of the labour into consideration and decided to suffer a loss and kept them going, similarly while considering the grant of protection to any industry the Tariff Board must see as to what will be its effect on the different sectors of the country's economy and must keep it going. This fact must be taken into consideration not only in giving protection, but also in starting new industries. There are so many industries which have been started, though these have no bearing at all on the economic life of the country, of improving the standard of living of the people.

The other day my hon. friend Pandit Thakur Das Bhargava had brought in a Bill on vegetable ghee. He tried to make out how this industry had upset the economic life of the people and has thrown out of employment millions of our countrymen. Moreover this industry has denied us of the important product which plays a large part in our nutrition. But ultimately my hon. friend had to yield and agree to withdraw the Bill, on the ground that so many crores of rupees have been invested by the capitalists in this industry. I am not going into the merits as to whether the manufacture of vegetable ghee is good or bad. But supposing it is bad, should my hon. friend have withdrawn his Bill, because so many crores have been invested in that industry and therefore only the process of hydrogenation need be stopped? If the thing is bad, it is bad.

Mr. Deputy-Speaker: Has that got any relevance to this subject?

Shri Jhunjhunwala: What I was trying to point out was that when we give protection, we do not consider what reaction it will have on the different sectors of the country's economy. This matter is neither taken into consideration while giving protection, nor do we take care to see whether the protection is working satisfactorily or not. I would like to bring it to the notice of the hon. Minister point into consideration and make it one of the sub-clauses in clauses 11 and 14.

The other point which I want to bring to the notice of the House is the one made by Pandit Mukut Beharilal Bhargava, that it should be one of the functions of the Tariff Commission that whenever any agreement is being entered into with other countries, the Commission must be consulted before a final shape is given to the agreement.

I am not of the view as my hon. friend Pandit Biharilal Bhargava is, that it is humiliating to have Imperial Preference. I do not consider it humiliating at all. If that is to our interest we must have Imperial Preference otherwise we should give it a go-by soonest possible.

Mr. Deputy-Speaker: I am afraid that is not a subject matter of this Bill. All that the previous speaker said was that it must be open to Government under this Statute to refer for the consideration and decision of the Tariff Commission such other kindred matters as international trade agreements, Imperial Preference, etc. That was all he said. It is no use going into the details of Imperial Preference.

Shri Jhunjhunwala: All that I wanted to convey was that it is not humiliating.

Mr. Deputy-Speaker: Hon. Members need not answer every remark made by another hon. Member.

Shri Jhunjhunwala: Another feature which we notice is that when a report is made to Government by the Tariff Board no action is taken on the same. The Fiscal Commission has rightly recommended that within two months Government must decide as to what action should be taken and what recommendations are rejected giving reasons for the same. If the Government do not want to take any action then they must tell the public immediately to that effect, so that they may not remain in suspense as to what the Government is doing. Then again, Government must take action on important matters, not on superficial things. Take, for instance, the recommendation of the Tariff Board on the sugar industry. This report has been out for more than a year; but what action have Government taken? The only action they took was the dissolution of the Sugar Syndicate; they also took action in regard to bungling on sugar despatches.

Shri Jhunjhunwala: Protection has been withdrawn; but at the same time it continues in the form of a revenue duty. So there has been no change materially for the benefit of the people or the consumer. You say you have withdrawn protection. But what are its effects on the industry? What are its effects on the consumer? As has been rightly pointed out by my hon. friend Prof. Shibbanlal Saksena the other day, I do not know why Government closes its eyes to the most important things by which we can get sugar cheap. Take, for instance, the case of molasses. Government has fixed the price of molasses at four annas per maund. While calculating the cost of sugar they have taken into consideration four annas per maund as the price of molasses. But I do not know whether Government knows it or not that molasses is being sold in the market at Rs. 10 to 15 a maund.

Mr. Deputy-Speaker: Are all these details germane to the discussion of this Bill?

Shri Jhunjhunwala: It is germane in the sense that Government do not take proper action.

Mr. Deputy-Speaker: Does the hon. Member mean to suggest that there must be a statutory limit of time within which Government must take action?

Shri Jhunjhunwala: That is what exactly I say—that within two months they must take action on the most vital points—not on superficial ones. The Tariff Board have made recommendations on many important points, *e.g.*, location of industries, as to how the question of smaller industries connected with a main industry, should be tackled. But all these have been kept in the cold storage. They have taken action only on two points which are not important and are more or less superficial.

With these words I support this measure wholeheartedly.

Mr. Deputy-Speaker: Mr. Ramnath Goenka. I would like to mention that if it is possible I intend to call upon the hon. Minister to reply so that we may conclude the debate today.

Some Hon. Members: Not today.

Mr. Deputy-Speaker: I am thoroughly satisfied that there has been ample discussion. I am only waiting for an hon. Member to move closure.

Shri Goenka: Although I wanted to

Fiscal Commission's Report, in obedience to your wishes I will straightway get on to the various clauses of the Bill and first discuss them and then time permitting and if you will permit me I will go into the other matters. But before I take up the provisions of the Bill I must say that we are glad that the Government have after all introduced this Bill which is in pursuance of the recommendations of the Fiscal Commission. I thought that the Government would have brought the Fiscal Commission Report for discussion in this House before this Bill was introduced and the opinion of this House on the Report of the Fiscal Commission obtained. If that was not possible for the Government to do, and as this Report was submitted as early as June 1950, the Government could have at least made a statement in regard to the decisions or in regard to their acceptance of the policy laid down by the Fiscal Commission in their recommendations. I will not like to dilate on that aspect of the question very much and I will take up clause 3 of the Bill.

Clause 3 of the Bill provides for the establishment of a Central Tariff Commission which shall consist of not less than three and not exceeding four Members. This is a matter in which taking the functions of the Commission into account I do feel that the number of the Members of the Commission is very inadequate. If one considers the functions of the Commission one comes to the inevitable conclusion that there is practically nothing which cannot be referred to this Commission and which is left out. In fact the Commission is supposed to be the *Brahaspati* in regard to economic affairs. Each one of the subjects which can be referred to the Commission or on which the Commission's opinion can be invited is a vast subject in itself. The subjects which the Commission will have to deal with are: the effect of protective tariffs and subsidies on the general level of prices in the country, on the cost of living of any specified class of people, on the different sectors of the country's economy. Each one of these subjects is a vast subject which will require vast study if the Government is to be profited by the advice of this Commission. If we go into clauses 12(a), (b), (c) and (d), 13, 14 and 11 (a), we will find that this Commission will have plenty of work to do and there is nothing which the Government cannot refer to the Commission and ask for their advice thereon. In such circumstances I do feel that the number of three or four is very

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Apart from that I take great exception to the proviso "that the Central Government may, as often as may be necessary, appoint not more than two additional members on the Commission for such purpose, for such period and on such conditions as it thinks fit". The recommendation of the Fiscal Commission was that this Tariff Commission will be a quasi-judicial body. On such a quasi-judicial body the proviso is that temporary Members will be appointed. Clause 6(3) of the Bill provides that "a member of the Commission ceasing to hold office as such shall not hold any appointment in any private industry or undertaking for a period of three years from so ceasing to hold office, save with the consent in writing of the Central Government". What does it mean? There is no difference made between a permanent Member and these temporary Members in this Bill. If they are subject to this disqualification the inevitable conclusion will be that excepting Government servants nobody will be prepared to go on the Commission as temporary Members. Apart from that, in a quasi-judicial body of this nature temporary Members are very dangerous. What is the object behind the various disqualifications which have been provided in the Bill, particularly in clause 6(3)? The object behind such disqualifications is that the Members should be subject to no influence whatsoever. This is what the Fiscal Commission said in regard to what they expect of the Tariff Commission. They definitely laid down that it should be subject to no influence either by the Minister or by the Government or by any lobbying or anything of that sort. If we leave the provision where it is now and if we have these temporary Members, I am afraid the object of the Fiscal Commission will not be carried out. I will only refer to paragraph 267 of the Fiscal Commission Report which lays down—the Commission has very rightly quoted from the pamphlet written by Sir Percy Ashley who was for a long time Secretary of the Import Duties Advisory Committee of the United Kingdom—and what they lay down is this:

> "But it was felt to be desirable that in the detailed application of the principles so determined there should be no scope for the kind of political activity known elsewhere as 'lobbying' or 'parliamentary logrolling'. What was aimed at was the establishment of an authority of a judicial nature, not under the control or subject to the direction of any Minister and directions given to it by the Act."

After quoting this the Commission lays down:

> "In order to maintain the independent character of the Tariff Commission and to ensure that its recommendations carry weight we recommended that the Commission should be constituted by an Act of Parliament."

This is what the Fiscal Commission expects from this Tariff Commission. I feel this is not possible if the Members of the Commission are appointed for a temporary period and on such terms and conditions as may be agreed to, particularly when there is a disqualification also to such Members of the Commission. Besides that, there is no recommendation, as far as I can see from the Fiscal Commission Report, that the tenure of office of such Members will be only for a period of three years. There is a provision in the Bill that after the lapse of three years they may be reappointed again for a period of three years. That according to me takes away the independence of the Members of the Commission. Just as in the case of High Court Judges or Magistrates, you appoint them for a period and they are there for their life-time and they are subject to no influence of the Government whatsoever. If a Member happened to depend for the renewal of his services upon the whims and fancies of the Government I do feel that—I am not making a general observation—it is likely that the extension of his service may influence his judgment. I, therefore, suggest that the Government will be well advised to make the period of their service a longer period and it should be subject to no extension whatsoever, because this extension is the fountain-source of all trouble in this matter.

The period in the United States Tariff Commission is 6 years and that period is not subject to any extension. Apart from that the appointment of the Chairman is made by the Government out of the members of the Commission every year. So there is no permanent Chairman as such. The period is six years and the Chairman is appointed by the Government out of its members every year. So there is a rotation of Chairman amongst the members. They do not expect any remuneration or any renewal of their service and they are not at the discretion of the Government; they cannot get any profit out of their position. That being the case, I would strongly request the hon. Minister to consider whether it will not be advisable that these members of the Commission

period; that there should be no temporary members at all; that the period should be the longest period rather than a period of three years and if it is the longest period then certainly this period of 6 as against 3 years is a salutary provision and should be there. This is what I submit in regard to the appointment of members for this Tariff Commission.

I am really proud that this principle should be in accordance with the recommendations of the Fiscal Commission, namely minimum five and maximum 7. If we ever expect any work from this Commission of the nature which is entrusted to them under the provisions of this Bill, it is very necessary that there should be the largest number of members. You will remember that there was a Development Section in the Ministry of Industry and it was the Kasturbhai Lalbhai Committee that stated in its retrenchment report that that section should be abolished. The Industry Committee met to discuss those provisions and we decided that it should continue, if not for any other purpose, at least to see that the industries do carry out the obligations which are laid upon them by the Tariff Board and Government spent several lakhs of rupees on that section. That is the function which has been given to this Commission under clause 15(b). This Commission under clause 15(b) is "to investigate into any special conditions that may have been imposed by the Commission on a protected industry, with particular reference to—

(i) the extent to which and the manner in which the obligations have been discharged..."

Now there are very many industries to which protection has been granted, to which protection has been continued for 25 and 30 years. What happens is that once the period of protection is over, the Minister of Industry comes before this House for a further extension of the period, without telling the House at all as to whether the industry did carry out the obligations which were laid upon them by the Tariff Board. The result is that for thirty years there are industries which have been as a matter of routine getting protection, although the principle established is that only such industries will get protection as will stand on their own legs in due course of time. One does not know when that "due course of time" arrives in regard to certain industries. Therefore it is a very important subject over which the Industries Committee and this Parliament have been exercised for a pretty long time. I am very glad that that provision is there in this Bill.

Simply having these provisions in the Bill does not mean that they will be carried out. There must be a machinery to carry them out, and that machinery cannot consist of three Members, as we go on developing the industries. This is a permanent Bill; it is not a temporary Bill; unless amended, the provisions of this Bill hold good for ever. Our Government is growing from day to day; we want this country to be industrialised. We want to see that protection is given to industries from time to time. We also want to see that the industries carry out the obligations laid upon them. We also want this Commission to give us all the information in regard to price level in this country, the reactions to the tariff policy and various other matters which we will refer to this Commission from time to time. He will be a *Brihaspati* who can answer all these questions if full staff and larger number of Members are not provided for this Commission. Therefore, I will request the hon. Minister for Industry and Commerce and the Select Committee to take note of the magnitude of the task which is before the Commission, and which this House is expecting the Commission to perform. Taking these things into account, they should see that the number of Members of this Commission is at least five, may be seven, as and when it becomes necessary. That, Sir, as I said, is in pursuance of the recommendations of the Fiscal Commission.

My other point is this. Clause 4 is practically in terms of the recommendations of the Fiscal Commission. There is nothing so far as clause 5 is concerned. So far as clause 6 is concerned, I have already made my submission. Then, I come to clause 11. So far as the whole Bill is concerned, it is in the nature of a directive principle. So far as clause 11 (2) is concerned, it is objectionable from many points of view. Clause 11 (2) says:

> "Where in the opinion of the Central Government, it is expedient in the public interest that immediate action is required, it may take action to impose, vary or abolish any protective duty or to grant, vary or abolish any subsidy without obtaining the report of the commission,....."

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What it provides is:

> ".....but where it does so, the matter shall be referred to the Commission for inquiry and report as soon as may be after the action is taken."

Firstly, I feel that it amounts to a delegated authority. I am not a legal pundit. Mr. T. T. Krishnamachari, speaking on this yesterday, pointed out that he was rather disturbed about clause 11 (2) and that he did not know whether the interpretation of clause 11 (2) will be that the power of the Government is final and that they need not come before this House with their proposals. We have got these two Tariff Amendment Acts in which we have given power to the Central Government to levy a protective duty in certain cases. These Acts are earlier Acts and this will be a later Act. The later enactment will obviously supersede the previous enactments. We have stated in the Tariff (Amendment) Bill, 1951:

> "Where the Central Government, upon a recommendation made to it in this behalf by the Tariff Board set up under the Resolution of the Government of India.....is satisfied that circumstances exist which render it necessary to take immediate action to provide for the protection of the interests of any industry established in India, the Central Government may, by notification in the Official Gazette, impose on any goods imported into India in respect of which the said recommendation is made, a duty of customs of such amount.....".

And further:

> "Where a notification has been issued under sub-section (1), there shall be introduced in Parliament if it is sitting within 15 days after the issue of the notification, and if it is not sitting, within fifteen days of its re-assembly.....a Bill.....".

As you will remember in regard to the export duty on jute goods, we had lengthy arguments as to whether this Parliament was competent to levy a duty and whether it was competent to delegate this authority to the Government before coming before Parliament, particularly in the nature of financial Bills. Also it laid down that every such notification shall be laid before Parliament if it is in session as soon as may be after the issue of the notification and if it is not in session, within seven days of its re-assembling. These salutary provisions for meeting emergencies have been given to Government. But when Government is given the power to levy import or export duties a definite obligation is laid upon the Government that the matter should come before Parliament as soon as possible. But if you read clause 11 (2), you will inevitably come to the conclusion that all those obligations on the Government to come before Parliament are taken away and no such obligation remains on the Government hereafter.

Mr. Deputy-Speaker: I understood the hon. Minister to say that these provisions will be considered in the Select Committee.

Shri Goenka: But I heard the speech of the hon. Minister for Industry and Commerce and there while introducing this Bill he laid particular emphasis on this particular clause 11 (2) and he justified this clause. Therefore, I have to state that this clause practically delegates complete authority to the Government, if you pass the Bill as it is. I would like the Select Committee to examine the various Acts which we have passed and the various discussions that have taken place in this House, and see how reluctant this House has been to confer any one of these authorities on the Government, because we know that nobody should be taxed in this country unless Parliament so wills. Delegation can be had in emergency circumstances, but immediately after, the matter should come up before Parliament and Parliament should be seized of the matter. But then this sub-clause 11 (2) completely takes away this power of Parliament. It is said that the question will be referred to the Tariff Commission. If the Commission does not agree with the action taken, then the Commission can make some other recommendation. But that is only a recommendation and it need not be accepted by the Government and the Government may continue to impose the duty and the matter need not come before Parliament because of this sub-clause 11 (2). Sir, when this matter was raised, I had my own doubts and I consulted a very competent legal authority and he also was of the opinion that it superseded all the previous Acts and if this is passed as it is, it will be a complete, unrestricted and undiluted authority given to Government to impose taxes as they liked and whenever they liked and

say, Sir, that this is a very dangerous provision and it should not be there.

Another reason against this provision is that this gives the Government the right of patronage. I can name many industries regarding which the Government instructed the Tariff Board to examine their cases and report to them very quickly. They told the Tariff Board "This is an important matter. Some industries have closed down and the remainder may close down in another six months due to the dumping of foreign goods and would the Tariff Board examine the matter and give their report to the Government as quickly as possible?" There is the case of the soda ash industry which was closed down for nine months. It is one of the most prominent industries in this country and the quality of their product is even better than the imported product. There are very few heavy chemical industries in this country and this is one of them, about which this country can be proud. This industry closed down because there was dumping of foreign goods under the O.G.L. Thousands of employees went out of employment. The Government thereupon asked the Tariff Board to go into the matter and submit a report. When the report came they sat on it for six months. Thereupon there was heated discussion in this House and then Government began to take action. Clauses 11(2) and 16 are the two clauses to which I take the greatest exception.

In the Fiscal Commission's report it is provided that the Government should take action ordinarily in the course of two months after the report is submitted. That has now been taken away. The Government can take action whenever they like: under the Act they will place the report on the table of the House within one month of the receipt of the Commission's report. The report being laid on the table makes absolutely no difference one way or the other. We know of many such reports of the Tariff Board. Unless Government takes action on the report, it does not become effective. Although in this Act the Government have practically carried out the recommendations of the Fiscal Commission, yet they have kept in their hands intact the power of patronage, which is nothing uncommon for this Government to bestow upon individuals. I am not suggesting that they bestow this patronage day in and day out. They simply cannot. Individuals who are interested in the industry and have got some influence can come to the Government and get their patronage. Only on rare occasions is this patronage conferred on individuals who have influence.

I gave the instance of the soda ash industry, the sugar industry and the aluminium industry. I will come to the automobile industry on which I will have to say something. As you are aware, Sir, various undertakings were given regarding this industry and now its protection has been brought in the Finance Bill, which is a very unusual method of giving protection to an industry. I am not one of those who are opposed to giving protection even before production or giving protection even before enquiry. Because you have to start new and help nascent industries, we are bound to give protection to them from time to time. But certain circumstances must be taken into account. What are those circumstances?

The principle is laid down by the Fiscal Commission that the authority which gives this protection will keep a proper balance between the consumers and the industry. Has that been done? We import in this country automobile parts worth 20 crores a year. I would ask the Minister to tell us if even one per cent. of what is required is manufactured in this country. Even if 5 per cent. of the needs is manufactured are you suggesting that for the sake of that 5 per cent. the whole community should be penalised? I am not suggesting that for revenue purposes you cannot levy high duties. I am not one of those who are opposed to levying a high revenue duty and asking the people to pay it. But when you do it for protective purposes you must make out a case that that protection will help the industry.

I am one of those who will say that only a particular type of car should be manufactured in the country and that everybody should use cars of that type only, and that we should take to austerity measures for the purpose of advancing industry in this country. I am not opposed to that but I am opposed to making statements which on their face are untrue. I will just refer you to a statement made by Dr. Syama Prasad Mookerjee which simply takes the breath out of me. This is the statement which was made at the time when this duty was justified:

> "My hon. friend Mr. T. T. Krishnamachari asked whether these parts and components which are being manufactured in this country will be capable of being

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you gave a very effective reply. If it is intended that all the parts and components required for the forty, sixty or eighty types of cars or trucks which may be imported into this country will have to be manufactured here, obviously, that is not a workable proposition. I have been assured . . .".

—Assured by whom? probably by the industry, the interested party,—

"...that about fifty per cent. of the parts and components required for general purposes will come out of the stocks which will be manufactured in India."

This is a statement which is not borne out by even the expert committee which has been appointed by the Government, consisting of the members of the industry itself. I will refer to that very soon. Then, Dr. Mookerjee continued:

"We have also impressed upon the assemblers that they must genuinely and legitimately try to use the parts and components that will be manufactured in India. Of course, what they have said is, this must be subject to quality. That is undoubtedly a very important factor."

Mr. Deputy-Speaker: What are we going into these details for?

Shri Goenka: I only want to establish that this power which is being given to them under clause 11 (2) for giving protection before making an inquiry has been misused in the past, and that it is a very dangerous power which should not be given to them unless the Tariff Commission at least recommends or inquires into the matter—just as Government will take, say, about a fortnight to inquire, the Tariff Commission can take that fortnight to inquire and give them some sort of a suggestion in the matter. After all, can they grant protection simply because they have been told that this industry requires protection before production? Government must make some inquiry into the matter. I suggest that that inquiry should be made by the Tariff Commission and only when the Tariff Commission recommends it, should the Government give protection. I am not against giving protection before production. I am one with the Government in saying that industry should be maintained—but not on the basis of somebody coming and whispering and these exceptional powers being used by the Government. And as I am trying to prove, so far as reference to various undertakings, once a protection is given it is never taken away. Government practically prejudges the issue before the Tariff Commission considers the question. The Tariff Commission is there to make recommendations to the Government. If the Government, in their whims and fancies come to a conclusion and levy a particular tax upon the import of a particular material, the result is that the Tariff Commission will feel that Government have taken this decision, that they have inquired into the matter. And here is a subordinate body, a governmental body, members of which are expecting renewal of their contracts after three years at the hands of Government. It is inconceivable, so far as I am concerned, that the Tariff Commission, once the issue is prejudged, will differ with the Government. Besides, even if it differs with the Government the industry will shout and say, "You gave us protection. You are taking that protection from us today."

Shri Sidhva: That will not happen hereafter.

Shri Goenka: You wait and see. We have seen many of these things happening. We do not conceive of many things happening and they do happen in spite of us. Therefore, we must be very careful as to the legislative powers we give to Government, and in giving them we must safeguard the consumer's interests. It is common ground that the consumer's interests should not be unnecessarily taxed. That is also the recommendation of the Fiscal Commission. In view of that, I say that Government should not be given absolute discretion to decide these matters, unless they have, the Tariff Board recommendations also with them. After all, it is not difficult for Government, as soon as a case is referred to them, to refer it simultaneously to the Tariff Commission and simultaneously come to a decision, or discuss the case with the Members of the Tariff Commission and decide whether protection should be given before production starts or in any other circumstance. An industrialist comes to Government and tells them that 50 per cent. of the parts manufactured in this country will be common for all cars and Government swallow it.

Shri Santhanam: It is the Parliament which swallowed it.

Shri Goenka: It is not the Parliament, because Ministers have the last say in this Parliament. We are supposed not to question a Minister's statement. We are supposed to be-

What he says is supposed to be the truth and nothing but the truth. That is the convention. Have you not, Mr. Santhanam, experience of this yourself? I am sorry, Sir, I should not address him direct. You yourself, Sir, have given directions from time to time in this House that when a Minister makes a statement, it is the final word and we must take it as true.

Shri Sidhva: If it is incorrect, we have the remedy.

Shri Goenka: Yes, but the next year has come and the Expert Committee Report is there; yet the same thing goes on, because they say that there was no time for considering that aspect of the question.

Mr. Deputy-Speaker: I think the hon. Member's suggestion is that the time taken by Government to come to the conclusion that emergent protection should be given might as well have been spent by the Tariff Board itself and on its recommendation the protection may have been given. I think that is his point. He may proceed to the next one.

Shri Goenka: Yes, Sir. So far as 11 (2) is concerned, firstly it is clear that 11 (2) and 16 are capable of patronage and they should be taken away. It is delegated authority, and Parliament should be very chary about giving Government a blank cheque. If according to the Act Government refer the matter after protection is given and if the Commission do not agree with Government, there is no provision in 11 (2) that the matter will be amended according to the decision or recommendation of the Tariff Commission. After all, the recommendations of the Commission are only recommendations. All that 11 (2) provides is that Government will refer it to the Commission.

Shri Sidhva: But the Commission's recommendations will come before Parliament ultimately.

Mr. Deputy-Speaker: No. All that the hon. Member says is that unlike in the earlier Acts where it was incumbent upon Government to place these matters for the approval of the House when during inter-session periods it was necessary to give protection in emergent cases, no such explicit provision is present in this Bill and he believes that this will implicitly overrule the provisions in the other statutes.

Shri Goenka: That is exactly the point, Sir.

Mr. Deputy-Speaker: Is he likely to conclude?

Shri Goenka: I require fifteen minutes more.

The House then adjourned till Half Past Eight of the Clock on Tuesday the 8th May 1951.